Factors influencing the decision to transition from Multi-Channel to Omni-Channel

—

A Banking Perspective

by

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DATE: September 2020

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Dedication

This is dedicated to my mother**, Evelyn No-Amen Binza.** Mankomo this is for you**.**

You can rest in eternal peace now**.** Miss you!

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Acknowledgement

This has been an exceptionally fulfilling period of which this piece of work (dissertation) wouldn't have been possible without some very influential individuals. I extend a great deal of appreciation to Professor Irwin Brown for his insights in the field of research, his patience and sense of clarity, and his general guidance during the entire journey. I was a midget researcher before embarking on this exercise and now I've become a novice researcher. Without Prof Brown, I would have continued on a naïve trajectory of thinking that I'm among the giants of researchers. Thank you.

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Abstract

Banking through insufficiently coordinated and non-integrated channels (Multi-Channel) is slowly being discarded. With Omni-Channel banking, where channels are integrated and data and information are shared across cross channels, customers are in control of the channels they wish to use. Factors influencing the organisational decision to transition from Multi-Channel to Omni-Channel hasn't been fully explored. Is this decision responding to internal factors like efficiency improvements, or is it driven by external factors like customer demands, trying to enhance customer experience, gaining competitive advantage over the competitors, expanding the business by introducing new business models, or trying to gain access to smart technologies for financial benefit?

This dissertation presents research findings into the investigation of factors that influence the organisational decision to transition from Multi-Channel to Omni-Channel banking. A positivist case study with inductive reasoning was adopted. Qualitative data was collected from a single organisation through interviews together with observations of the strategy documents between January 2019 and April 2019. An initial conceptual model was derived from the literature review to guide data collection, after which thematic analysis was used to analyse the data and develop an emergent theory.

The key findings from the research study are that a customer centric approach informs the decision to transition. The customer is at the centre of the omni-channel strategy: that is through an enhanced customer experience or timeously responding to customer demands.

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Other factors are either enabling this strategy, like technological innovations, and efficiency improvements or are the outcome of the strategy like customer satisfaction, revenue or cost optimisation, and competitive advantage.

The key implications are that organisations must pay more attention to the customer journey and ensure that they advance in the Customer Experience Capability Maturity Model. Most successful business transitions to the Omni-Channel strategy require a transformation in organizational culture, operations and processes, and the underlying technologies.

Keywords: Omni-Channel, Customer Centricity, Customer Experience, Capability Maturity Model.

Lungile Binza

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List of Acronyms

Acronym	Description
FTE	Full Time Employee
AHT	Average Handle Time
AWT	Average Waiting Time
KPI	Key Performance Indicator
IVR	Interactive Voice Response
ATM	Automated Teller Machine
App	Mobile Application
SLA	Service Level Agreement
TAT	Turnaround Time
OSTY	Our Service To You
OCC	Omni-Channel Customer
AI	Artificial Intelligence
CRM	Customer Relationship Management
NLP	Natural Language Processing
CX	Customer Experience
AX	Agent Experience
MSTY	MyServiceToYou
USSD	Unstructured Supplementary Service Data (Cellphone Banking)
CC	Contact Centre
CuC	Customer Centricity
NPS	Net Promoter Score
SACSI	South African Customer Satisfaction Index
NAG	Net Active Growth
F2F	Face to Face
FinTechs	Financial Technologies
CMM	Capability Maturity Model
QR codes	Quick Response codes
API	Application Program Interface

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Definitions of Terms

Theory - Gregor (2006) says the dictionary definitions show that the word **theory** can take on many meanings, including "a mental view" or "contemplation," a "conception or mental scheme of something to be done, or the method of doing it; a systematic statement of rules or principles to be followed," a "system of ideas or statements held as an explanation or account of a group of facts or phenomena; a hypothesis that has been confirmed or established by observation or experiment, and is propounded or accepted as accounting for the known facts; statements of what are held to be the general laws, principles, or causes of something known or observed," a "mere hypothesis, speculation, conjecture". Gregor (2006) proposed a taxonomy of five interrelated theory types: "(i) theory for analyzing, (ii) theory for explaining, (ii) theory for predicting, (iv) theory for explaining and predicting, and (v) theory for design and action to classify IS theories in respect of how the four central goals of theory, analysis, explanation, prediction and prescription, are handled".

Financial Technology (FinTech) – describes the "*new technologies that seek to improve and automate the delivery and utilisation of financial services. At its centre, fintech is utilized to help organisations, business owners, and consumers better manage their financial operations, processes and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, on smart-devices".* When FinTechs emerged in the 21st Century, *"the term was initially applied to technology employed at the back-end systems of established financial institutions. Since then, however, there has been a shift to more consumer-oriented services and therefore a more consumer-oriented definition*" (Investopedia, 2019).

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Chatbot (AI) - A chatbot, interchangeably used with virtual assistant or conversational agent, is a computer program that uses artificial intelligence (AI) to have a conversation with human beings. It could support text input, audio input, or both and tends to support simpler conversations and more singular tasks (Investopedia, 2019).

Cost to Income ratio - "*shows a company's costs in relation to its income. To get the ratio, you divide the operating costs (administrative and fixed costs, such as salaries and property expenses, but not bad debts that have been written off) by operating income*" (Bank strategy documents, 2019).

Abandonment ratio - For an inbound call centre, the abandon rate "*is the percentage of inbound phone calls made to a call centre or service desk that is abandoned by the customer before speaking to an agent. It is calculated as abandoned calls divided by total inbound calls. Abandon rates have a direct relation to waiting times*" (Bank strategy documents, 2019).

Compliments to Complaint ratio – This is the number of compliments received vs the number of complaints. The bank's tolerance ratio is 3:1, that means there must be 3 compliments received for every complaint (Bank strategy documents, 2019).

Net Promoters Score (NPS) – "*is a management tool that can be used to gauge the loyalty of a firm's customer relationships*". "*It is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's products or services and the customer's loyalty to the brand*". "*It serves as an alternative to traditional customer satisfaction research and is claimed to be correlated with revenue growth*" (Bank strategy documents, 2019).

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1) Chapter 1 - Introduction

1.1 Background to Research Problem

Banks operate in an environment of rapid technological evolution, technology-shrewd customers, and increasing customer expectations. In this environment, providing banking services through disparate and non-coordinated channels (multi-channel banking) is inadequate (Ericsson et al., 2012). The increased interactions using mobile digital device in most phases of the customer transaction process have caused banks to rethink the way they provide their services (Peltola et al., 2015). These developments are affecting competitive strategies. New channels are breaking down old barriers such as geography and consumer ignorance. Hence, it is critical for retailers, including banks, and their supply-chain partners in other industries to rethink their competitive strategies (Verhoef et al., 2015). With the prevalent use of smart phones, tablets, social media, and the integration of these new channels in online and offline retailing, the banking landscape continues to change (Rigby, 2011).

The utilisation of multiple channels both online and offline (physical) by retail firms is very evident now (Peltola et al., 2015). The boundaries that previously existed and were obvious in separating these online and offline channels has been minimised as the new approach to retailing is emerging—omni-channel retailing, which aims to deliver a seamless customer experience irrespective of the channel (Piotrowicz and Cuthbertson, 2014; Peltola et al., 2015). It is another type of retailing, where all of the firm's channels are tightly integrated through data and information sharing (Peltola et al., 2015). Mainstream media suggests there is a move from a Multi-channel to an Omni-channel retailing and banking model (Rigby, 2011).

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With Omni-channel banking, customers are in control of the channels they wish to use and they can decide to use any of the available channels during any phase of their transaction process depending on their needs (Peltola et al., 2015). For example, they can initiate an interaction using one channel (e.g. using a mobile device whilst at home) and end it in another (e.g., a bank branch when returning home from work) (Ericsson et al., 2012). With Omni-channel banking, the traditional division between two-way communication (interactive) channels and one-way communication channels becomes less obvious (Verhoef et al., 2015) and all activities and internal departments (e.g. marketing, logistics) are integrated between channels, thus, a customer can trigger full channel interaction and the company controls full channel integration (Wollenburg, 2017).

In the multi-channel environment, a separation between the physical branch and the online platform is clearly distinguished, while in the omni-channel environment those constraints have been removed. The customers easily move between the online (internet), mobile device (application), and physical store (banking branch), all within a single transaction process (Piotrowicz and Cuthbertson, 2014) without losing the context of the customer query. Therefore, omni-channel retailing and banking enables real customer interactions, facilitates customer transaction across all available channels, and ensures a unique, complete, and consistent experience in-between these channels (Juaneda-Ayensa et al., 2016).

In this digital age, customers have become even more sophisticated. They don't need to identify and verify themselves all the time. Mobility is key to them and they demand to use all mobile available channels and expect a certain level of empowerment through self-service (TeleTech, 2015). Social Media interaction and instant information or service availability are critical to them (TeleTech, 2015).

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1.2 Problem Statement

The increase in adoption of digital technologies such as mobile application, smartphones, gadgets or tablets, increased social media, and the integration of these new technologies into online and offline retailing and banking channels has revolutionised banking (Rigby, 2011). Given this growth, mobile devices such as smart phones have become the primary access point to the Internet. Mobile has therefore become the most prominent banking channel (Ericsson et al., 2012). Technologically savvy consumers do not recognize separation of channels, but expect consistent experiences across all available channels (Allman, 2017). They expect to be able to contact organisations through their desired media type and at any time, expecting the same level of service from any media type in a timeous manner (Allman, 2017). Customers have become more sophisticated in a number of ways like being more informed, , more empowered, more diverse, more interactive, and more mobile (Carroll and Guzman, 2012). They expect to have access to everything, all the time, from any device, and from anywhere (Cappuccio, 2014).

The multi-channel strategy portrayed online and offline channels as two completely independent modes within the same business (Trenz, 2015) which created a "silo" mentality where online and offline channels were treated separately (Piotrowicz and Cuthbertson, 2014). The channels are managed by different people and departments that do not fully cooperate (Piotrowicz and Cuthbertson, 2014), each with its own strategies, objectives, and misaligned targets within the same company (Mirsch et al., 2016). This could lead to an inconsistent service and customer experience from the same business. Blending the digital and physical domains must be the primary driver of digital business value like cross-selling opportunities across channels (Trenz, 2015).

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1.3 Research Questions

The primary research question is:

What factors influence the organisational decision to transition to Omni-Channel banking*?*

This research question is explanatory as it aims to arrive at an explanation of the reasoning behind the decision to transition from multi-channel to omni-channel banking by banking institutions. An explanatory research question explains the behaviour of some phenomenon of interest (Ngwenyama, 1998) and in this research study it will be ascertained whether the decision was externally driven due to competition, customer demands and expectations, and/or internally driven in order to improve efficiencies and cost optimisation.

1.5 Research Objectives

The objectives of this research study are:

- To identify the main factors that influence the decision to transition from multi-channel to omni-channel banking.
- To also identify whether these factors are for business optimization or business transformation

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1.6 Research Importance

- To get a view of retail banking in South Africa on their Omni-Channel and Digitization journeys;
- To understand what occupies bank executives the most: is it the customer, is it competition, is it financial, latest technological innovations, or all of these?;
- To assess the appreciation of senior banking executives for new technological innovations, like FinTech companies, that enable Omni-Channel banking;
- To contribute to Omni-Channel banking literature, especially in the South African context.

1.7 Research Context

This research is conducted among senior Banking Executives in one of South Africa's top banking institutions who manage or head up the various channels in the bank. The executives are largely business oriented but with a few executives with technical inclination. They are responsible for charting the long term vision of all the banking channels.

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1.8 Organization of the Dissertation

This dissertation report is structured as six chapters.

Chapter 1 provides the background and the introduction of the research problem.

Chapter 2 is the review of the literature pertaining to multi-channel and Omni-Channel retailing and banking. Also the initial theoretical model is defined based on the existing literature.

Chapter 3 describes the research methodology, research design, as well as the philosophical paradigmatic assumptions.

Chapter 4 presents the initial research findings

Chapter 5 is the full analysis of the themes and a new emerging theorical model

Chapter 6 provides the recommendations and conclusions of the research study

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2) Chapter 2 – Literature Review

The literature which will be reviewed is covered under the themes of Multi-Channel, Cross-Channel, Omni-Channel, and the Multi-Channel to Omni-Channel transition strategies. Thereafter, the initial factors pertinent to the decision to transition are identified, and the initial conceptual model emerged from those factors is presented.

2.1 Multi-Channel

Multi-channel banking can be defined as banking where channels are separated from each other, for example, an online presence (web), mobile application (app), and a physical branch (Wollenburg, 2017). Multi-Channel management primarily indicates that a retailer or a bank provides numerous channels (Mirsch et al., 2016) The customer typically cannot activate channel interaction and the bank does not control channel integration (Wollenburg, 2017). The usage of multiple channels enables banks to extend their reach, increasing their capacity to communicate with more customers (Wollenburg, 2017).

If a customer, for example, cannot return a product ordered online to the physical store or branch (Mirsch et al., 2016), it implies the channels do not interact (Beck and Rygl, 2015). Also, if the retailer is unable to control the integration of the existing channels because the customer, pricing, and inventory information across channels are not shared, then the channels are not tightly integrated (Beck and Rygl, 2015). Trenz (2015) highlights the difficulty a customer faces when thinking about switching channels during a transaction stage. In this case, channels do not interact, and the vendor cannot control the integration. The customer chooses either online or offline. This model suggests that the channels are not interconnected and integrated (Mirsch et al., 2016).

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These channels co-exist without the possibility for the customer to initiate an interaction, nor the possibility for the retailer to control integration (Beck and Rygl, 2015). In this type of retailing, the channels are treated independently and overseen by different teams, each with its own plans, targets, and objectives (Mirsch et al., 2016).

2.2 Cross-Channel

A Cross-Channel technique indicates the opportunity for a customer to switch between certain, but not between every single accessible channel (Mirsch et al., 2016). Contrary to Multi-Channel Retailing, with Cross-Channel Retailing the customer can initiate some interaction and or conversation and the retailer can control some integration, through data and information sharing, of at least two channels, but not all available channels at that time (Beck and Rygl, 2015). One key characteristic of the cross-channel approach is that there is a some level of collaboration and communication of at least two channels or contact areas, whether it be voice, chat, mobile application, or physical contact (Mirsch et al., 2016). For instance, a customer can order a product from an online store and return it to a physical store, since from the customer's perspective the channels do somewhat collaborate and interact (Beck and Rygl, 2015). Similarly, if the customer receives a push notification from the nearby physical store to collect his or her items based on his/her contact details submitted while transacting online, the channels are mostly integrated from a retailer's perspective. In the event the customer successfully receives or even returns the items to the physical store, this signifies that more than two channels are interacting and integrated from the customer's perspective, and would again be categorised as Cross-Channel Retailing (Beck and Rygl, 2015).

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Because the customer can access individual information like a list of items on more than one, but not all available channels, then those particular channels can fully interact. Also, if the retailer controls full integration only those channels, but not all accessible channels, this is also cross-channel retailing. For instance, if the customer, pricing, and stock information are shared over more than one channel but not all channels, those channels are somewhat integrated from the retailer's perspective, which is also cross-channel retailing (Beck and Rygl, 2015).

2.3 Omni-Channel

Verhoef et al. (2015) characterise Omni-Channel management as 'the synergetic management of the various accessible channels and customer touch-points, in such a way that the customer experience across all channels and the performance over all channels is streamlined. It represents an evolutionary step of the multi-channel and cross-channel concept (Mirsch et al., 2016). Omni-Channel Retailing offers the customer all available and accessible channels, which can be the physical store (or banking branch), telephone (voice), chat facility, online location and mobile location (Beck and Rygl, 2015). Data and information is shared in real time interchangeably across all channels and they are all seamlessly used during the search and transaction process (Verhoef et al., 2015, p. 175). Seamless switching among all channels and touch-points is possible (Mirsch et al., 2016). In contrast to multi-channel and cross-channel strategies, the boundaries between all channels and contact areas are eroded (Mirsch et al., 2016). The customer can initiate full interaction and/or the retailer controls full integration of all channels (Beck and Rygl, 2015).

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If, for example, a customers can return a product item to the physical store regardless of the channel they bought it from, the channels are fully inter-connected. Similarly, the retailer has full control over channel integration and collaboration if the retailer shares customer, pricing, and stock information across all available channels (Beck and Rygl, 2015). Table 1 below shows the differences in the management of these channels. In an omni-channel environment, the transaction types range from somewhat delayed pickups from a nearby store when the actual purchase took place online, where the customer is allowed to get the product a few days later, to completely and fully integrated hybrid channels and service offerings where online purchases can be received immediately on a physical channel (store) that wasn't primarily used (Trenz, 2015).

Omni-channel banking is a synchronized operating model in which all of the banks' channels are aligned, integrated, and present a single face to the customer, along with one consistent way of doing business (Carroll and Guzman, 2012). This provides a consistent experience across channels to provide customers with seamless access to financial products and services—where and when they are needed (Ericsson et al., 2012). To keep up customer trust it is important to provide a familiar environment and consistent service across accessible channels (Scarborough and Grieser, 2006).

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Table 1: Differences between multi-channel, cross-channel, and omni-channel retailing

	Multi-Channel	Cross-Channel	Omni-Channel
Concept	"There's clear division between the channels"	"Partial integration of some channels"	"Integration of all widespread channels"
Degree of integration	"No switching between channels possible"	"Enables exchange between certain channels and contact-areas"	"Ease of exchange among all channels and touch-points possible"
Channel scope	"Retail channels: store, website, and mobile"	"Retail channels: store, online website, and direct marketing, mobile channels (i.e., smart phones, tablets, apps), social media, Customer Touch-points (incl. mass communication channels: TV, Radio, Print, C2C.)".	"Retail channels: store, online website, and direct marketing, mobile channels (i.e., smart phones, tablets, apps), social media, Customer Touch-points (incl. mass communication channels: TV, Radio, Print, C2C.)".
Customer relationship focus: brand vs. channel	"Customer-retail channel focus"	"Customer-retail and channel focus"	"Customer-retail and channel-brand focus"
Objectives	"Channel objectives (revenue per channel, experience per channel)"	"By channel or connected channels and touch-points"	"All channels work together to offer a consistent customer experience"
Channel management	"It is per channel. Management of channels and customer touch-points focused toward optimizing the experience with each one. Perceived interaction with the channel"	"It is by channel or connected channels and touch-points. Perceived partial interaction with the brand"	"It is across-channels. Harmonios management of the channels and customer touch-points focused toward optimizing the holistic experience. Recognised interaction is with the brand"
Customers	"No possibility of initiating interaction". "Use channels in independently"	"Can initiate partial interaction". "Use channels in parallel"	"Can trigger full interaction". "Use channels simultaneously".
Retailers	"No possibility of controlling integration of all channels"	"Control partial integration of all channels"	"Control full integration of all channels"

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	Multi-Channel	Cross-Channel	Omni-Channel
Sales people	"Do not change or alter their selling behavior or strategy"	"Adapt their selling approach using different arguments based on the channel"	"Adapt selling approach using different arguments based on each customer's needs and product knowledge".
Data	"Information is not shared across channels"	"Information is partially shared across channels".	"Information is shared across channels".

Source: Based on Rigby (2011), Piotrowicz and Cuthbertson (2014), Beck and Rygl (2015), Verhoef et al. (2015), Mirsch et al., 2016, and Juaneda-Ayensa et al., (2016).

Omni-channel banking brings the industry closer to contextual banking in which financial services become embedded into the lives of individual and business customers (Ericsson et al., 2012). Multi-Channel precedes Omni-Channel as Table 1 above shows.

2.3.1 Omni-Channel Customer

An Omni-Channel Customer (OCC) is the person who shops (and transacts) for products and services using more than one retail channel, for example physical store, internet, telephone (voice), chat functionality, and mobile applications (Verhoef et al., 2015). OCCs are not quite the same from single channel consumers (SCC) in that they proactively acquire more information about the product or service before they interact with salespeople (Yurova et al., 2016). Further, customers that purchase online (internet) like to attempt and possibly get reviews about the item before settling on it (Bernon et al., 2016). Omni-Channel customers have developed from multi-channel customers; while multi-channel customers use different sales channels in parallel, omni-channel customers utilise them at the same time (Lazaris & Vrechopoulos, 2014).

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OCCs are said to be more productive in their shopping, for example they achieve have higher levels of shopping outputs and/or lower levels of shopping inputs, in that they are more efficient in their shopping process. They obtain more return on their investments of time, effort, and money (Voropanova, 2015) and are more likely to utilise their mobile channel for information search and price comparison of the item. The use the physical store to try out the item, and social media channels for reviews. (shopping value) (Voropanova, 2015). It is inferred that the OCC in the banking environment would exhibit similar behaviours with banking transactions.

2.4 Multi-Channel to Omni-Channel Transition

Most retail and banking customers have become OCCs in their shopping and banking approach, in that they use online and offline channels interchangeably. There are various strategies and tactics the retailer can adopt in order to succeed in this new competitive Omni-Channel environment depending on the product, the level of demand, and the type of customer to be targeted (Brynjolfsson et al., 2013; Bell et al., 2014). Some of those strategies include the consideration of physical organisational planning for any omni-channel returns like a). customer accessibility to return entry points, and b). enhancing system and data sharing issues which could lead to a poor return experience across the returns channels (Bernon et al., 2016). An indicator of a successful omni-channel returns network is the simplicity with which customers can return items and the number of return points available to them to minimize distance travel times and uncertainty when inside the store (Bernon et al., 2016).

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2.4.1 Omni-Channel Transition - Impact on Banking

Four cornerstones for transforming to an Omni-Channel banking environment are: a). the New physical design of the branch, b). Mobility, c). Social, and d). Video (Ericsson et al., 2012). Even though the demise of the branch has been greatly exaggerated (Ericsson et al., 2012), the role of a branch in this Omni-Channel banking era would need to be thought through. The use of mobile applications is on the increase and banks are migrating their customers to these digital channels enticing them with rewards and incentives (Brynjolfsson et al., 2013). Data sharing across channels and common and standardised customer relationship management (CRM) is becoming pivotal. Predictive analytics is also becoming central in bank's decision making.

To successfully transition to a new Omni-Channel environment, retailers, including banks, need to implement information and fulfilment strategies that reduces the customer effort in every phase of the transaction process (Bell et al., 2014). In an omni-channel environment, customers have options: they can choose to either visit the stores (or branch) to obtain information, or they can get it from online, which is less of an effort for them. When they visit the physical store it is mainly to pick up purchased items or sometimes the store can "*come to them*" because the products or items are delivered (Bell et al., 2014). Retailers must provide an easy to use guide during the purchase process as well as fulfilment options that allow retailers to get their products to customers in a pragmatic manner (Bell et al., 2014).

In the coordinated strategy, the digital platforms (online and mobile application) should drive the customers to the physical stores, and encourage them towards physical contact with the item, as well as to provide transparent pricing (Piotrowicz and Cuthbertson, 2014).

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The best way to handle the omni-channel environment is to: (a) "take a customer viewpoint", and (b) "view the activities of the retailer through the lens of the two core functions of information and fulfilment" (Bell et al., 2014). Implications for banking are that most of the new banking entrants are now solely digital or e-Commerce. No investments are made in the bricks and mortar of physical infrastructure like branches and ATMs. With Omni-Channel, there's also a huge opportunity for expansion and integration. Hubner et al. (2017) highlight the integration opportunities in the organisational systems, processes, operations, inventories into one warehouse solution, and pickup points.

2.5 Customer Demands and Mobility

Customers have become more complex in a number of ways like being more knowledgeable, more demanding, having more information, being more collaborative, coming from different backgrounds, being more interactive, and mobile (Carroll and Guzman, 2012). Companies have noticed an increase in use of mobile services. Customers visit company's online channels before coming to the physical store (Peltola et al., 2015). Customers expect that they should be able to contact companies via their desired media type and at any time, expecting the same responses from any media type in a timeous manner (Allman, 2017). The proliferation of the digital retailing or shopping platforms have led to changing habits and expectations from most customers. A better informed and demanding customer who is also omni-channel brand-conscious utilizing multiple devices and multiple screen has emerged (Juaneda-Ayensa et al, 2016). The rapid technological changes, especially with regards to the emergence of the mobile channels, tablets, and social media (Rigby 2011), has produced technology-savvy customers with increasing expectations (Ericsson et al., 2012).

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To these customers a consistent, certain, and integrated service experience is expected, paying little attention to the channel they used since they are dealing with the same company.; They want to move flawlessly between available channels—physical or online—depending on their current situation, the time of day, or the product or service category (Piotrowicz and Cuthbertson, 2014). These new breed of technologically native consumers do not recognize anymore separate channels, but they expect a consistent experiences across all channels (Peltola et al., 2015). A growing number of customers visit company's online channels before coming to the physical store (Peltola et al., 2015). Banking customers are similar, as they require consistent service across channels, hence the drive for data and information sharing across channels.

2.6 Technology (Systems and Applications)

The retail channels have different reasons for their existence and offer their own benefits and cost implications. This allows for the variation of channels like having a channel more useful during specific stages in the purchase process than the other channels. For instance, in banking it is more useful to use a mobile application to perform transactions than visiting a physical branch. These differences are, however, getting reduced due to technological innovations and diffusion of new channels (Katherine et al., 2016).

The question is no longer when companies need to make digital transformation a strategic priority — this tipping point has passed — but how to embrace it and use it as a competitive advantage (Hess et al., 2016). In some companies the initial driver of change is a new digital technology, whereas in others business issues drive the change process, and a suitable technology must be identified to support the change (Hess et al., 2016).

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The technologies behind Omni-channel services are focused on unifying customer information, product availability, product information and pricing in all touch-points over all channels (Piotrowicz and Cuthbertson, 2014). In this way, technology integrates all touch-points by enabling similar information to be used every time consumers are met in any channel (Peltola et al., 2015). When technologies drive change Hess et al. (2016) recommend that business executives ask themselves the following two questions: i). "*How Significant is Your Firm's IT to Achieving Strategic Goals*?, and ii). *How Ambitious is Your Firm's Approach to New Digital Technologies*?" Piotrowicz and Cuthbertson (2014) developed the below figure 1 to illustrate the role of technology in a retail environment in this Omni-Channel era. This is unpacked in detail as one of the technological strategies to transition to Omni-Channel banking.

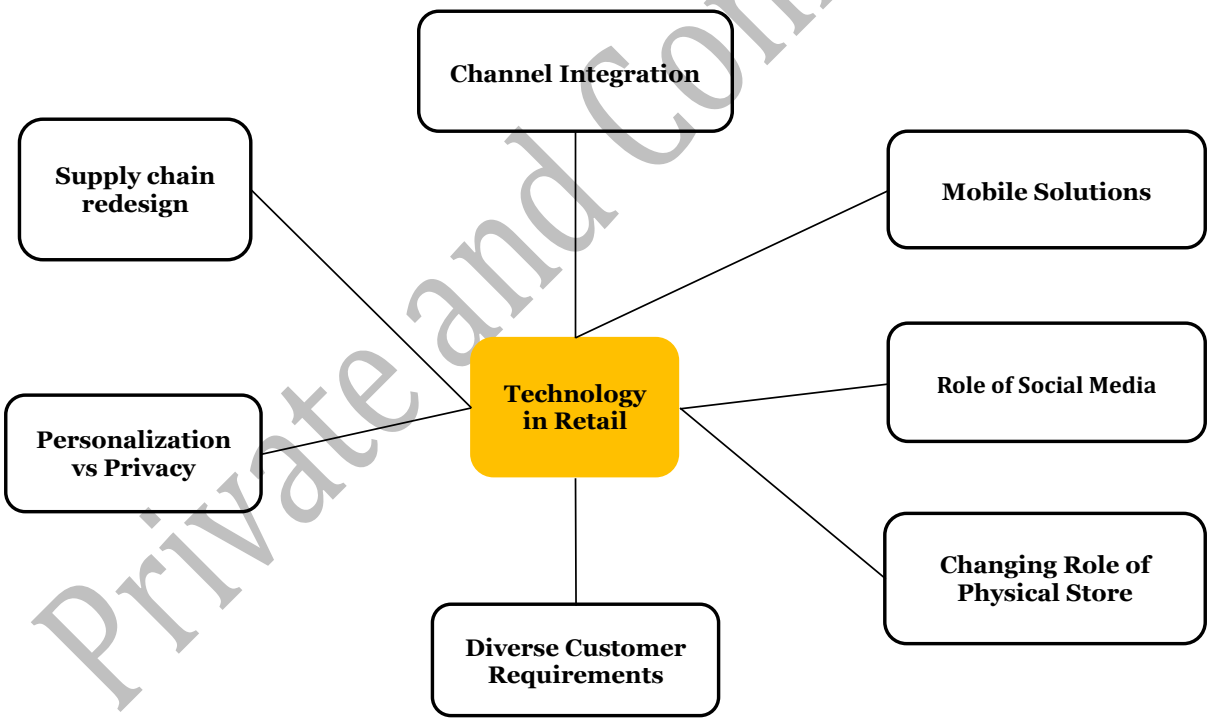

Figure 1: Technology in Retail (Adapted from Piotrowicz and Cuthbertson, 2014)

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2.6.1 Channel Integration

The role of technologies behind Omni-channel services is focused on unifying customer information, product availability, product information, and pricing in all touch-points over all channels. In this way, technology integrates all touch-points by enabling similar information to be used every time customers are met in any channel (Peltola et al., 2015). This is achieved through harnessing the power of data and analytics (Brynjolfsson et al., 2013). The use of enterprise digital data requires more strategic collaboration between technology and business (Berghaus and Back, 2016) in order to generate useful and meaningful insights that benefit the organisation.

Apart from sharing of data and information across channels, the other difficult item includes architectural frameworks utilizing open interfaces, and automating business processes, like designing personalized content according to the individual customer situation (Berghaus and Back, 2016). Even though the customer's primary need is to move freely across all the channels, they still want to see, feel, touch, and attempt the item, and sometimes to feel the shop environment.

Notwithstanding, the future role of the physical store or a branch is not clear, and it may end up being determined by the item classification and customer segment. The conventional store could adapt its role to a "hub", the point of convergence which would coordinate all other business channels (Piotrowicz and Cuthbertson, 2014). It has become evident that the innovative design of multi-channel retailers differ significantly from the transactions in physical stores and to that of pure online retailers in the view of customers. In this way, customer behaviour in such integrated channels cannot be just only explained by established insights on either offline or online transactions (Trenz, 2015).

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2.6.2 Mobility

This mobile evolution is mainly pushed by the new advances in digital technologies, such as smart mobile devices, mobile applications, artificial intelligence, augmented reality, mobile payments, machine learning, digital flyers, and location-based services (Piotrowicz and Cuthbertson, 2014). With mobility growth, cross channel integration, especially through data and information sharing, should be the core of the omni-channel strategies and tactics of any retail organisation (Piotrowicz and Cuthbertson, 2014). Mobile technology is changing buyer conduct and expectations especially when blended and utilized with the physical world (offline store) (Brynjolfsson et al., 2013).

This mobility surge, together with the emergence of the social media phenomenon, has created the situation where the customers "bring" into the store their whole social network experience (Piotrowicz and Cuthbertson, 2014). While inside the physical store, the customers can check a product rating, promote a product or service, or contact someone (or a group) to ask a question, but also share in real time thoughts, feelings, and video recordings and images, as well as indicate their satisfaction or lack thereof with the store offering of both products or services (Piotrowicz and Cuthbertson, 2014).

2.6.3 Changing Role of Physical store and In-Store Technologies

The face of the physical store is rapidly changing as a result of some in-store innovations and new technologies. These technological advancements include interactive and virtual screens, "magic mirrors" or rooms with fitted virtual mirrors, intelligent self-service kiosks, quick response (QR) codes, and digital signage.

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This in-store technology must create a unique and integrated customer experience which ensures that the new omni-channel stores enables and assist the customers in their shopping journey (Juaneda-Ayensa et al., 2016). Quality assurance and pilot runs of this in-store technology should be done before it's full scale implementation to avoid any issues or glitches during operations. Some customers could be quickly alienated and easily turned away by technological issues (Piotrowicz and Cuthbertson, 2014). This in-store technology implementation journey should have a clear alignment, collaboration, and understanding between the customer, retailer, and the original equipment manufacturer (OEM).

The customer experience integration should be the responsibility of the retailer since they are responsible for the business processes through their business model, but must work very closely with the product producers and technology provider (OEM). (Piotrowicz and Cuthbertson, 2014). This is particularly important since retailers not only define the business model, but also identify which technologies are needed to enable that business architecture. They will also encourage, drive, and monitor the utilisation of these technologies as utilisation is one of the important indicators of purchase intention by the customers (Juaneda-Ayensa et al., 2016).

All in-store technologies should fully interact with the customer experience. That means all in-store technological innovations and implementations should respond and address some customer problem or a specific business requirement. It should not be technology just for technology sake (Piotrowicz and Cuthbertson, 2014). This implementation should also be sensitive to customers that don't require too much interaction with technology. This becomes evident when different generations are interacting with in-store technology (Piotrowicz and Cuthbertson, 2014).

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Younger customers or the so called "*digital natives*" would prefer to start and complete all their transactions online or inside the store with the in-store technology without any involvement of the store staff, compared to the older generation who might still prefer the traditional face-to-face interactions with the sales people (Piotrowicz and Cuthbertson, 2014). Therefore, the customer should choose their preferred mode and channel of interaction with the retailer depending on their own circumstances and possible time. All in-store technologies should enhance the customer experience and not be an impediment to customers less familiar with it (Piotrowicz and Cuthbertson, 2014).

A key hindrance preventing most businesses from meeting customers' expectations is the lack of agility within the contact centre systems used, including an inability to follow customers effectively as they move from one channel to the next (TeleTech, 2014). To provide this type of seamless and relevant support, companies need a contact centre platform agile enough to keep pace with customers regardless of channels utilised (TeleTech, 2014). Contact centres can be a synchronized operating model in which all of the company's channels are aligned and present a single face to the customer, along with one consistent way of doing business (Carroll & Guzman, 2012).

2.7 Strategic Orientation

To gain a competitive advantage, banks must begin moving to Omni-channel banking while customer readiness across the globe is strong (Ericsson et al., 2012). To sustain advantage, banks must embrace competition and must differentiate themselves by offering niche products/services (Brynjolfsson et al., 2013).

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They must avoid direct price wars and comparisons, but must provide attractive pricing and emphasize product knowledge and service experience (Brynjolfsson et al., 2013). Additionally they need to come up with better ways of managing the establishment of channel switching costs (Brynjolfsson et al., 2013). In some organisations the Information Technology (IT) department is regarded as an enabler of the new business opportunities. In other companies though, IT is just regarded a supporter of defined business requirements and is not used as a strategic asset. In the first instance, where IT is an enabler of business opportunities, it could play a pivotal role in being the initial driver of change with the introduction of new digital technologies to assist the business to become more efficient.

In the other option, business requirements are central in the change process, and an "appropriate" technology is identified to enable the change process (Hess et al., 2016). Retail companies, including banks, with a more competitive and strategic posture, are more likely to transition to omni-channel and adopt these technologies to improve their efficiencies.

2.8 Omni-Channel Customer Experience

As already defined and argued above, omni-channel banking differs from the "multi-channel" banking approach, where banks encourage customers to utilise the least expensive channel according to the bank, while providing limited cross-channel functionality and an inconsistent customer experience (Ericsson et al., 2012). Providing a consistent experience across all the available and accessible channels through data and information sharing integration will build a stronger customer experience (Katherine et al., 2016). Omni-channel banking provides a consistent experience across channels to provide customers with seamless access to financial products and services—where and when they are needed (Ericsson et al., 2012).

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It also brings the industry closer to contextual banking in which financial services become embedded into the lives of individual and business customers (Ericsson et al., 2012). A good Omni-channel customer experience lies in the alignment of retailer's organizational culture, pricing strategy, operations, and effective communications (Peltola et al., 2015). Omni-channel allows for the view of the customer journey via reporting for each interaction and also via the agent view if they are involved in the interaction (Allman, 2017). Any customer journey analysis process without an input from the customer or having a customer perspective would not be complete (Katherine et al., 2016).

The best approach to handle the Omni-Channel environment is the understanding and tracking of customer needs and consideration of their perspective (Bell et al., 2014). In most instances, organisations sees customers through their own financial metrics without any regard for their needs or feelings (Katherine et al., 2016). Customer centricity must be at the core of all organizational planning for companies hoping to attract and retain customers going forward, with senior executives approaching each strategic decision by asking themselves, "How will this affect our customers?" (Bell et al., 2014).

In a Contact Centre environment, a good agent experience leads to a true Omni-channel customer experience that in turn leads to good business performance and profitability (Swanger, 2014). Businesses where interactive Contact Centres are effective, tend to have a positive effect on business performance, both financially and non-financially. The customers are left with a better experiences and tend to be more satisfied after dealing with agents that have the right technological tools and access to customer information (TeleTech, 2014).

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Omni-channel Contact Centres are a synchronized operating model in which all of the company's channels are aligned and present a single face to the customer, along with one consistent way of doing business (Carroll & Guzman, 2012). Swanger (2014) argues that Contact Centre Supervisors should not focus entirely on operational level performance metrics like average handle time (AHT) and calls handled per hour when measuring agents performance. This takes away the agents versatility and flexibility when trying to perform their most important task, which is to efficiently satisfy the customers. In trying to accurately measure customer experience a variety of feedback metrics must be used as they predict customer behaviour and forecast the future business performance better than a single metric (Katherine et al., 2016).

In banking to measure customer satisfaction, customer experience, and service quality various metrics are used across the customer journey and at various touch-points - these include the Our Service To You (OSTY) score, number of Compliments given, and the number of complaints received (Katherine et al., 2016). An effective customer experience strategy requires the organisation to develop specific capabilities like partner network management, and customer analytics (Katherine et al., 2016). This is part of a multi-disciplinary approach in which multiple functions like IT, marketing, customer service, and human resources collaborate in order to deliver a better customer experience (Katherine et al., 2016). Developing and executing this unified and enterprise-wide customer experience strategy becomes a key success factor in the omni-channel world (Peltola et al., 2015). This is a significant shift from the narrowed channel-oriented thinking to the omni-channel approach where this unity of purpose means concrete and tangible changes at all levels of operations in the organisation (Peltola et al., 2015).

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2.9 Value Creation - Revenue Drivers and New Business Models

The online channels offer banks opportunities to (i). generate additional revenue, (ii). build, maintain and develop long-term client relationships through easy access to a broad and increasing array of products, (iii). extend marketing, and (iv). increase cost-saving (Al-Sukkar, 2005; Liao & Cheung, 2003). Digital transformation strategies, which include the Omni-Channel decision, seek to maximize value creation and, thus, future revenues and profits (Hess et al., 2016). In banking, servicing a customer in the digital and online channels is cheaper than physical channels like walking into a physical branch.

To encourage the use of online channel banking, Herington and Weaver (2007: 415), for instance, noted that banks are both rewarding customers for using online services and penalizing customers for using offline services. Thus, South African retail banks, like banks elsewhere, charge premium fees for customers who perform banking services over the counter (bricks and mortar) rather than doing the transaction over the online channels (Maduku, 2013). These reward incentives are used by banks as one measure to encourage their customers to adopt digital channel banking (Maduku, 2013).

Digital transformation strategies seek to maximize value creation and, thus, future revenues and profits. To finance their digital transformation endeavours, firms can choose either internal or external financing options (Hess et al., 2016). Digital technologies have the potential to not only exercise incrementally impact on business model innovation (optimisation), but to radically transform the core of products and services (transformation). They have the power to change how companies create and capture business value to guarantee sustainability (Leonhardt et al., 2017).

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Senior Management have to consider the degree to which their organisation should diversify its business into the digital world in order to exploit the possibilities of digital technologies and enter new business areas (Hess et al., 2016). Hess et al. (2016) goes further and says business must ask themselves these questions: "i). *How "Digital" is Your Interface to the Customer*?, ii). *How Will You Create Revenue from Future Business Operations*?, and iii). *What Will Your Future Business Scope Be*?" The omni-channel phenomena has significantly altered most organisation's business models. The smaller and agile organisations seem to have adapted quickly by noticing new business opportunities along the Omni-channel value chain. These e-commerce solutions have brought about more customer engagement and loyalty (Peltola et al., 2015). Bigger organisation are developing new ways within logistics and deliveries because of both a). the changing buyer behaviours, and b). to cut costs by storing goods in physical stores (Peltola et al., 2015). This is to ensure that they maximise the power provided by these digital technologies in value creation (Hess et al., 2016).

2.10 Business Restructuring

Business executives have to decide whether new digitally enabled operations should be integrated into existing structures or be located in independent entities that are separated from the company's core business (Hess et al., 2016). They must decide whether to integrate new operations into their current operations or to organize them as distinct, separate units (perhaps as a newly formed subsidiary) (Hansen and Sia, 2015; Hess et al., 2016).

This is because these digital initiatives can significantly change the organisation's business model and they must decide the current and future organizational design (Hansen and Sia,

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2015; Hess et al., 2015). The CEO ought to be fully responsible for and add authority to this transformation journey. Also, they must decide who will be in charge of the transformation endeavour (Hess et al., 2015). Hansen and Sia (2015) report a case study in which the CEO hired a Global Head of Digital who, reporting to the marketing function, was tasked with the responsibilities of pursuing an Omni-channel strategy. The last leg of the business restructuring is the likelihood of requiring new skills and competencies to drive this digital endeavour. This is also because of the need to balance the maintenance of ongoing operations and the necessary changes in products, services and business processes to digitally transform an organization (Hess et al., 2016). Part of acquiring new competencies is the plan on how acquire them and when (Hess et al., 2015).

Deloitte (2015) argues that Contact Centre Agents will change dramatically in this new Omni-Channel future. They will become advisors (money managers) and be more empowered to handle multiple and complex conversations from different channels and platforms, called the new breed of contact centre advisors. According to Sharma et al. (2010), the major concern of sales personnel is the risk that their influence and the social capital they have built with their customers will be diminished. Online/digital (self-service) calls into question the fundamental cognitive processes underlying their relationships with the customers (Lapoule and Colla, 2015).

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2.11 Literature Review Summary and Research Model

Figure 2 below shows the initial research conceptual model on the factors influencing the decision to transition from Multi-channel to Omni-channel Banking, based on the literature reviewed.

2.11.1 Omni-Channel Decision to Transition

A combination of factors from internal and external domains may influence the banking institution decision to transition from Multi-channel to Omni-channel banking. The *external/environmental* factors indicate those where the company (institution/organisation) is proactively trying to keep up with the external rate of change. These factors include customer demands, strategic orientation, and technology infrastructure. The *business benefits* factors are driven by a mixture of both internal/business benefits and environmental factors.

These factors are customer experience, revenue generation, new business models, and business restructuring.

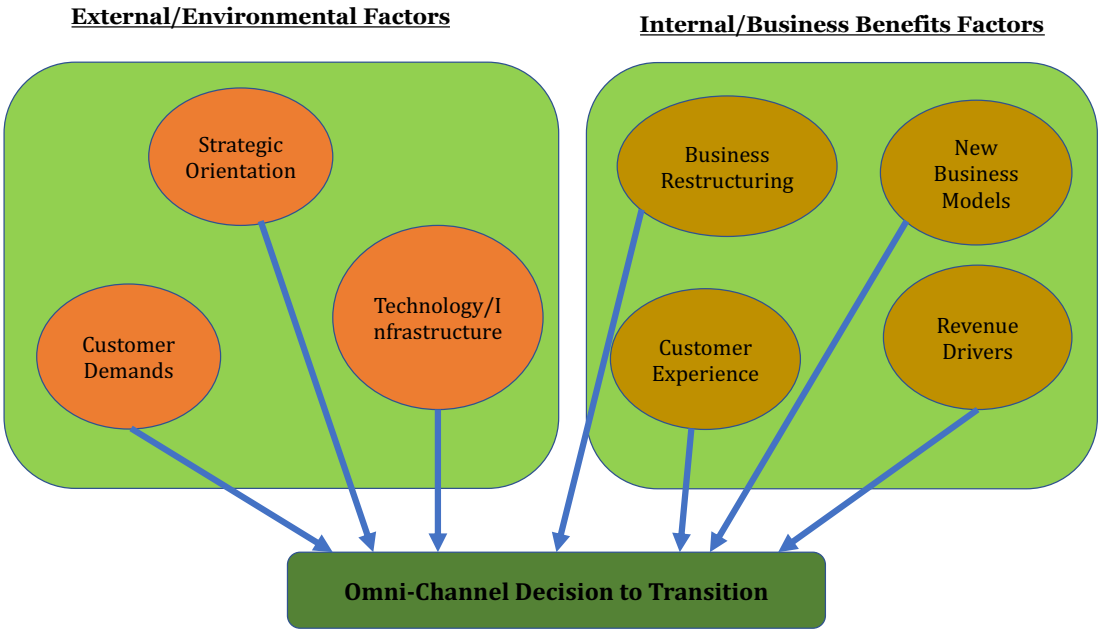

Figure 2: The Conceptual Model

An inductive approach will be used during the data analysis stage. In order to facilitate theory emergence, the research study entered the field without any pre-defined hypotheses or propositions, but with a good background knowledge of the literature. The conceptual model is used as a guide for data collection and theory building. Analysis took place while collecting data, because analysis itself suggests constructs and patterns which required further data collection.

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3) Chapter 3 - Research Methodology

3.1 Chapter Introduction

This chapter discusses the methodological factors governing this research study. The case study research strategy was deemed as an appropriate investigative method within a positivist philosophical underpinning. Data collection was through qualitative methods and thematic analysis was the chosen technique for analysing the data.

The research dimensions of the research onion below will be used as guidelines on the research study design.

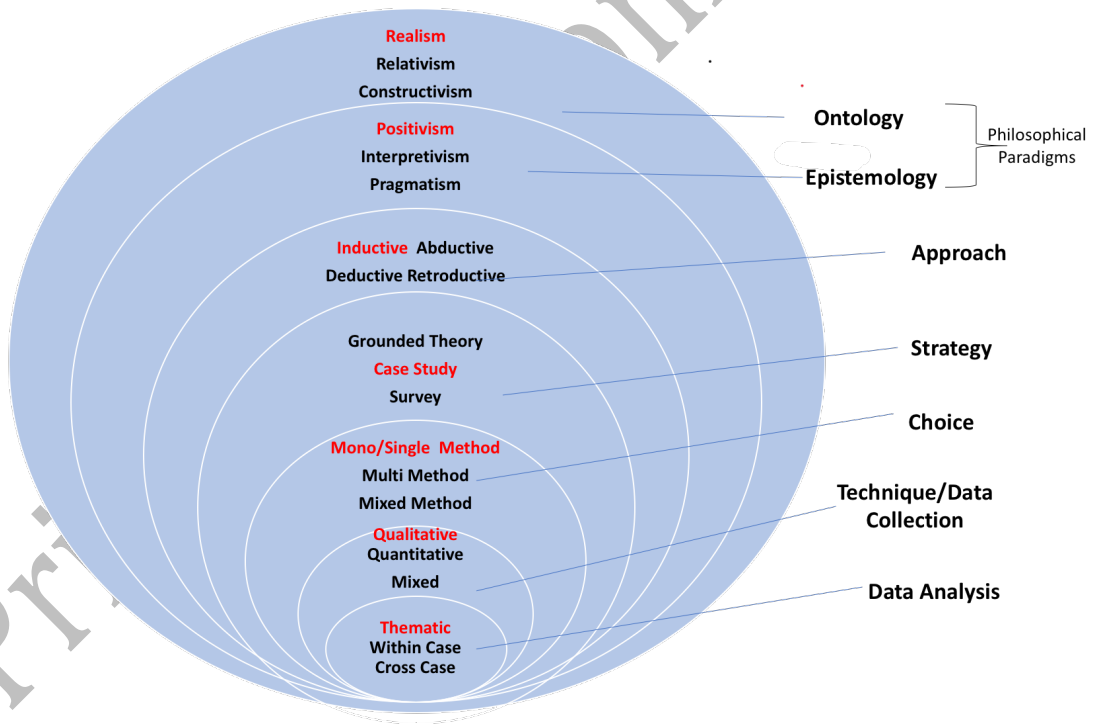

Figure 3: Research Dimensions - *The Research Onion (adapted from* Saunders, Lewis and Thornhill (2009, 2012)

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3.2 Research Philosophical Paradigm

Orlikowski and Baroudi (1991) identified three research paradigms used for the investigation of Information Systems (IS) phenomena; positivist, interpretive, and critical and these have been widely accepted (Myers and Klein, 2011). The nature of physical and social reality, the assumptions about the sources and development of knowledge, and the relationship between theory and practice is what differentiates these three philosophical paradigms (Orlikowski and Baroudi, 1991). More recently, critical realism has emerged as another viable philosophical paradigm for IS research (Wynn and Williams, 2012)

Positivism remains the dominant paradigm in IS research (Dubé & Paré, 2003; Orlikowski and Baroudi, 1991). Positivist studies are typically characterised by formal propositions, measurement tools, the testing of hypotheses and the drawing of inferences from samples to stated populations (Orlikowski and Baroudi, 1991). However, positivist studies can also be inductive and theory-building (Pare, 2004). Researchers in this paradigm believe that scientific inquiry is "value-free" and subsequently, see themselves as unbiased observers who can evaluate or predict actions or processes objectively (Pare, 2004). With respect to the issue of inductive studies utilizing existing theoretical constructs to guide theory-building research within positivism, two different approaches may be undertaken (Pare, 2004): a). the researcher works within an explicit conceptual framework, as also shown in figure 2 above, and b). the researcher tries not to be limited by earlier theory and instead sees the development of relevant theory, hypotheses, and concepts as a purpose of the research study (Pare, 2004).

Interpretive studies explicitly embrace a non-deterministic perspective, trying to investigate the phenomena of interest or phenomenal behavior in its natural setting, intentionally not imposing any a prior comprehension on it (Orlikowski and Baroudi, 1991).

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Compared to the positivist paradigm, researchers working in the interpretive paradigm do not strive to generate 'truth' or social laws (Walsham, 1995). Instead, these researchers seek meaning in context and look to understand lived experience from the perspective of those involved (Gregor, 2006; Klein and Myers, 1999). Research conducted in this paradigm can produce deep insight into social phenomena (Klein and Myers, 1999).

The *Critical paradigm* studies' main objective is to critique the status quo and remove contradictions from organizations and society through the exposure of deep-seated structural problems (Orlikowski and Baroudi, 1991). The main task of critical research is to provide social critique that brings to light conditions of the status quo creating, alienating, and restricting circumstances in social systems. Rather than simply predict or explain the status quo, critical research aims to change it (Orlikowski and Baroudi, 1991). This research approach is premised on the assumption that people can change their social and economic conditions through conscious action, while also recognizing the social, cultural and political constraints and limitations like natural laws on their behavior (Klein and Myers, 1999).

In trying to investigate complex organizational phenomena or phenomenal behavior, *Critical Realism (CR)* allows researchers to achieve this in a holistic manner. In particular, "it acknowledges the role of subjective knowledge of social actors in a given situation as well as the existence of independent structures that constrain and enable these actors to pursue certain actions in a specific setting" (Wynn and Williams, 2012). This paradigm becomes even more relevant when scientific researchers want to transcend the inconsistencies between the stated philosophical assumptions and actual practice of IS research under both positivism and interpretivism (Smith, 2006; Wynn and Williams, 2012). Critical realism assumes a transcendental pragmatic ontology and a realist epistemology (Easton, 2010).

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3.2.1 Positivism in this Research Study

Orlikowski and Baroudi (1991), and Devers (1999), contend that the choice of a positivist epistemological paradigm should be guided by a broad commitment to the idea that the social sciences ought to replicate the natural sciences (Lee, 1989). The ontological position of positivism is one of realism, which assumes *"an objective physical and social world that exists independent of humans, and whose nature can be relatively unproblematically apprehended, characterized, and measured*" (Orlikowski and Baroudi, 1991: p.9). In this way, a discoverable reality exists freely of the scientific researcher (Scotland, 2012). The positivist epistemology is one of objectivism where researchers are unbiased, discovering absolute knowledge about an objective reality (Scotland, 2012). The scientific researcher and the phenomena of interest are independent entities (Scotland, 2012). Measurement, pattern matching or prediction, and modelling are the best methods to use in trying to understand the phenomena of interest or phenomenal behaviour across situations in a positivist research study (Orlikowski and Baroudi, 1991; Pare, 2004).

3.2.1.1 Requirements for Positivist Theory

In particular, the primary criteria for classifying a theoretically-grounded case study as positivist are the following (Dube and Pare, 2003; Pare, 2004):

- adoption of a positivist perspective clearly stated in the study
- evidence of qualitative and/or quantitative measures of variables or constructs
- explicit purpose of theory testing or theory building
- concern for validity and reliability issues as used in the natural sciences

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The research arena of the positivist case study is underpinned by the philosophical assumptions of positivism of being deductive and mainly data and information driven. Scientific researchers in this paradigm "tend to treat qualitative data as representative facts or shared reality, and theory as generalizable, falsifiable propositions" (Sarker et al., 2018). Analysis within a positivist case study is often focused toward deductive validation of theory using hypotheses and stated propositions (Lee, 1989), and pattern matching and prediction (Yin, 1994).

However, positivist case research study can also follow an inductive theory building approach (Eisenhardt, 1989; Dubé & Paré, 2003; Pare, 2004). Researchers of this research field also "treat qualitative *data* as representative facts or shared reality, and *theory* as generalisable, abstract patterns, development of constructs and articulating relationships among them (the inductive variants)" (Sarker et al., 2018). The *analysis* strategy follows a systematic coding to develop conceptual dense theory, and to claim a new testable theory (Sarker et al., 2018). The evaluation criteria assumes that of inductive theory building: which is validity, and reliability (Sarker et al., 2018). Inductive theory building positivist case studies should be handled differently from deductive theory validation case research (Sarker et al., 2018).

Since the Multi-Channel and Omni-channel concepts are pre-defined, and it is assumed these are unproblematically understood by informants this research study followed a *positivist* case research philosophical paradigm. The positivist philosophical paradigm tries to understand a pre-existing social setting by identifying individual components of a phenomenon and then explain the phenomenon in terms of constructs and relationships among those constructs (Cavaye, 1996).

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3.3 Research Design

R*esearch design*, as shown in table 2 below, specifies the elements associated with the design of this positivist research study, such as prior specification of constructs, type of research questions, adopted case(s), the theoretical framework, and how it differs from other research studies in this field (Dube and Pare, 2003). The research design for this research case study, positivist inductive is described in detail in sections 3.3.1, 3.3.2, and 3.3.3 below and also summarized in table 2 below:

	Author(s)	Descriptive	Exploratory	Explanatory	Positivist Deductive	Positivist Inductive
RESEARCH DESIGN						
Clear research questions	1, 2, 3, 5	X	X	X	X	X
A prior specification of constructs	3, 5			X	X	
Clean theoretical slate	3		X			X
Theory of interest	2, 4, 5			X	X	
Predictions from the theory	2, 4, 5, 6			X	X	
Rival theories	2, 4			X		
Multiple-case design	2, 3, 4, 5	X	X	X	X	X
Nature of single-case design	2	X	X	X	X	X
Replication logic in multiple-case design	3, 4, 5	X	X	X	X	X
Unit of analysis	1, 2, 5, 6	X	X	X	X	X
Pilot case	2	X	X	X	X	X
Context of the case study	1, 2, 5	X	X	X	X	X
Team-based research	1, 3	X	X	X	X	X
Different roles for multiple investigators	1, 3	X	X	X	X	X

Table 2: Research Design - IS Positivist Case Studies (adapted from Dube and Pare, 2003)
*** 1 = Benbasat et al., (1987); 2 = Yin (1994); 3 = Eisenhardt (1989); 4 = Lee (1989);**
**** 5 = Sarker et al., (2018); 6 = Pare' (2004)**

* Original table authors from Dube and Pare (2003)
** Enhanced table with two additional columns from these 2 authors

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3.3.1 Approach

A deductive approach, or an inductive approach, or some reasonable combination can be employed to successfully conduct a qualitative research. It could be done through a data-oriented perspective or an interpretation-oriented perspective (Sarker et al., 2018). In this research study, the research approach follows an inductive approach. Critically important for the Omni-Channel Banking phenomenon is that there's some level of agreement of what it is and expected benefits. But, even though there's that level of agreement of what it is, the finality of the factors that drive it has not been concluded and they might also differ from industry to industry and also from company to company. It is therefore inductive in that the final theoretical model was allowed to emerge from the collected data. Induction or discovery allows for the generation of concepts and the emergence of theory from the data without the researcher(s) imposing pre-existing expectations (Sarker et al., 2018). Discovery is mainly concerned with exploration, description, and explanation of the phenomena of interest or the phenomenal behavior. During the data collection stage, the data is themed, coded, and then classified in order to ease abstraction and theory generation (Cavaye, 1996). With an inductive case study approach, maximum flexibility in scheduling must be preserved (Spindler and Spindler, 1990).

3.3.2 Research Method

The case research methodology is well suited for the IS research. As also emphasised by Benbasat et al. (1987), the case study research is now accepted as a valid research strategy within the IS research community.

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With the case study design, the knowledge contribution has rather shifted from the technical aspects of information systems in organizations to being organisational in nature (Pare, 2004). This is because case research is easily adaptable and can be used with any philosophical paradigm, be it *positivist*, *interpretivist*, or *critical*. It is comfortable with any data collection methods be it qualitative like interviews, documentation, and observations, or quantitative like questionnaires and time series data (Dubé and Pare, 2003). Because of its flexibility, the case research method allows the researcher to resolve or interpret complex sets of factors and relationships using a small number of building block instances. This is one major advantage it has over other research methods like survey-based methods (Easton, 2010). Case research can therefore be defined as a "research method that involves investigating one or a small number of social entities or situations about which data are collected utilizing multiple sources of data and developing a holistic description through an iterative research process" (Easton, 2010).

Positivist case research, which allows for exploratory, descriptive, explanatory, and theoretically oriented case studies (Orlikowski and Baroudi 1991), represents one of the dominant paradigms in IS case research. Also, the early recommendations formulated by researchers are most suitable to the positivist paradigm. Klein and Myers (1999); Dube and Pare (2003); and Pare (2004) all posit that the principles and guidelines formulated by Benbasat et al. (1987), Lee (1989), and Yin (1994) "have become de facto standard in positivist case studies", as in the summary in table 3 below:

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According to Yin (2003) a case study design should be considered when: "a). the behaviour of those involved in the study cannot be manipulated; b). the researcher wants to cover contextual conditions because they are relevant to the phenomenon under study; or c). the boundaries are not clear between the phenomenon and context". Therefore, "the term 'case research' is not a monolithic one: case study methods can be applied and used in many different ways and, as such, case research is open to a lot of variation" (Baxter and Jack, 2008).

Table 3: Characteristics of Case Studies

1	"Phenomenon is examined in a natural setting"
2	"Data are collected by multiple means"
3	"One or few entities (person, group, or organisation) are examined"
4	"The complexity of the unit is studied intensively"
5	"Case studies are more suitable for exploration, classification, and hypothesis development stages of the knowledge building process; the investigator should have a receptive attitude towards exploration"
6	"No experimental controls or manipulation are involved"
7	"The investigator may or may not specify the set of independent and dependent variables in advance"
8	"The results derived depend heavily on the integrative powers of the investigator"
9	"Changes in site selection and data collection methods could take place as the investigator develops new hypotheses"
10	"The focus is on contemporary events"

Source: Benbasat et al. (1987)

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3.3.3 Research Population and Case Selection

Case research studies can follow a single (mono) case or multiple cases (Yin, 2009). Studying using the mono case study empowers the researcher and research process to investigate the phenomena or phenomenal behavior in-depth, getting close to the phenomena, enabling a rich description or explanation, and uncovering its deep rooted structure(s). This could be description, discovery, or even testing (Cavaye, 2010). It's major advantage and opportunity is that it offers the in-depth and comprehensive understanding of the phenomena as it can also stand on its own (Easton, 2010). This is in contrast to studying multiple case designs where this in-depth and rich descriptions afforded by single cases could be lost since the analysis of data is across cases. This becomes worse if the number of cases to be studied in a multiple case is too much, since the number of cases to be studied may not be pre-determined (Eisenhardt, 1989). This depends on a). "how much is known about the phenomenon after studying a case", and b). "how much new information is likely to emerge from studying further cases" (Eisenhardt, 1989). This research design will be a single case study focusing on a retail bank's experience during its transitional journey from Multi-Channel to Omni-Channel banking. The coverage will be broader in order to gain deeper understanding of the concepts, benefits, and their learnt experience before and during the journey. The bank, which is the case, provided the setting which in turn had several instances of the phenomenon since the investigation of a single case may have more than one unit of analysis embedded in it (Cavaye, 2010).

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3.3.4 Data Collection

There are two basic types of *data collection* methods: *nomothetic or quantitative methods* which is based on numerical data, and *ideographic or narrative or qualitative methods* which is based primarily on verbal and unstructured data (Cavaye, 2010). Most case research studies uses a combination of qualitative and quantitative methods, but some still uses the qualitative data method only (Cavaye, 2010). To ensure the quality of the overall data collection process, the choice of data collection methods should be careful considered and applied along with other strategies for enhancing reliability and validity (Dube and Pare, 2003).

This research case study is about decision making in an organization and qualitative data collection methods were used. Qualitative case studies afford researchers the opportunities to explore, describe, or explain a phenomenon or phenomenal behavior within its context using various data sources (Spindler and Spindler, 1990; Baxter & Jack, 2008; Mouton, 2011). But it is not concerned with measuring and quantification of the phenomenon or phenomenal behavior (Mouton, 2011). In this research case study, the qualitative method allowed for the banking institution's (case) complex decisioning process around the transition from multi-channel to omni-channel to be fully explored and then understood. Since it's not possible to assign meaning to a phenomenon or phenomenal behavior (transition from multi-channel to omni-channel) we spoke to the main people that made the decision to transition and some of those who were impacted by those decisions.

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The data collection for the positivist inductive is all summarized in table 4 below:

	Author(s)	Descriptive	Exploratory	Explanatory	Positivist Deductive	Positivist Inductive
DATA COLLECTION						
Elucidation of the data collection process	1	X	X	X	X	X
Multiple data collection methods	1, 2, 3, 4, 5, 6	X	X	X	X	X
Mix of qualitative and quantitative data	1, 3, 5	X	X	X	X	X
Data triangulation	1, 2, 3, 4, 5	X	X	X	X	X
Case study protocol	1, 2	X	X	X	X	X
Case study database	1, 2	X	X	X	X	X

Table 4: Data Collection - IS Positivist Case Studies (adapted from Dube and Pare', 2003)
*** 1 = Benbasat et al., (1987); 2 = Yin (1994); 3 = Eisenhardt (1989); 4 = Lee (1989);**
**** 5 = Sarker et al., (2018); 6 = Pare' (2004)**

* Original table had these four authors (Dube and Pare, 2003)
** Enhanced table with 2 additional columns from these 2 authors

3.4 Data Analysis

Data analysis of a case study could be conducted through thematic analysis, within case analysis, and cross-case analysis. It balances the use of preliminary data analysis techniques like *field notes*, *coding of raw data*, and *data displays*, and dominant modes of data analysis like *empirical testing*, and *theory-building* (Dube and Pare, 2003). The analysis of this case research was only conducted through thematic analysis and no within-case or cross-case analysis. The primary goal of a within-case analysis is to describe and explain what has been discovered within a single case (Miles et al., 2014) and it involves detailed case study write-ups for each site (Eisenhardt, 1989). It is mainly applicable in the multi case analysis and it fosters rich familiarity with the data and the unique themes within the case(s) (Eisenhardt, 1989).

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A case-oriented analysis considers the case as a whole, and then looks for similarities and differences between the outcomes of each case (Miles et al., 2014). It is also mainly applicable in a multi-case analysis and can be case-oriented or variable-oriented (Miles et al., 2014).

The data analysis for the positivist inductive case study is summarised in table 5 below.

	Author(s)	Descriptive	Exploratory	Explanatory	Positivist Deductive	Positivist Inductive
DATA ANALYSIS						
Elucidation of the data analysis process	1, 2, 3	X	X	X	X	X
Field notes	2, 3	X	X	X	X	X
Coding and reliability check	2, 5	X	X	X	X	X
Data displays	2	X	X	X	X	X
Flexible & opportunistic process	1, 2, 3	X	X	X	X	X
Logical chain of evidence	1, 2	X	X	X	X	X
Empirical testing	2, 4, 5			X	X	
Explanation building	2, 5		X			X
Time series analysis	2			X		X
Searching for cross-case patterns	3, 4, 5, 6	X	X	X	X	X
Use of natural controls	4			X		X
Quotes (evidence)	1, 2	X	X	X	X	X
Project reviews	2	X	X	X	X	X
Comparison with extant literature	3, 5		X		X	

Table 5: Data Analysis - IS Positivist Case Studies (adapted from Dube and Pare, 2003)
*** 1 = Benbasat et al., (1987); 2 = Yin (1994); 3 = Eisenhardt (1989); 4 = Lee (1989);**
**** 5 = Sarker et al., (2018); 6 = Pare' (2004)**

* Original table had these four authors (Dube and Pare, 2003)
** Enhanced table with 2 additional columns from these 2 authors

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3.4.1 Thematic Analysis

Thematic analysis, which was used for data analysis in this single case research, provided the agility needed in the research with its rich, detailed, and yet complex record of data (Braun et al., 2015). The six steps/phases for Thematic Analysis are described in table 6 below:

Table 6: The Steps in thematic analysis

Phase	Description
a). Familiarising yourself with your data	"Fully immersed and actively engaged in the data by firstly transcribing the interactions and then reading (and re-reading) the transcripts and/or listening to the recordings."
b). Generating initial codes	"Identifying preliminary codes, which are the features of the data that appear interesting and meaningful. These codes are more numerous and specific than themes"
c). Searching for themes	"Start of the analysis of the collated codes. Relevant data extracts are sorted (combined or split) according to overarching themes. The researcher's thought process should allude to the relationship between codes, subthemes, and themes."
d). Reviewing themes	"Refining and defining the themes and potential subthemes within the data. Ongoing analysis is required to further enhance the identified themes."
e). Defining and naming themes	"Developing a detailed analysis of each theme. a unified story of the data needs to emerge from the themes."
f). Producing the report	"The report relays the results of the analysis and validity of the analysis contextualising it with the existing literature. It goes beyond a mere description of the themes and portray an analysis supported with empirical evidence that addresses the research question (s)."

Source: Braun et al., 2015: 188-189

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3.5 Research Design and Methodology Summary

Table 7 below is a summary of this study's research design.

Research concept	Variant	Why?
Epistemology - philosophical perspective	❑ ***Positivism***	Assumption that the concept of Omni-Channel is well understood and there's common and consistent understanding of the constructs.
Research Objective/approach	❑ ***Discovery & Inductive***	Will use preliminary literature to define the initial research conceptual model. Also used research data to get the final theoretical model.
Research Design (Selection)	❑ ***Single case study***	In depth and broad complex need to study this Omni-Channel phenomenon in a specific institution.
Research Data Collection	❑ ***Use of qualitative data***	Interviews, documentation, and direct observations were used. The construction of the final emergent theory was guided by the initial conceptual theory.
Research Analysis	❑ ***Thematic***	Data Analysis took place while collecting data, where constructs and patterns emerged and were coded.

Table 7: Research Design summary (adapted from Cavaye, 1996)

3.6 Research Analysis Tools:

The research analysis tool for this qualitative study data analysis is NVIVO for Windows Version 12 Pro. NVIVO helped centralised all the research type documents from audio codes, transcripts, strategic documents, industry documents, and video material. To complement NVIVO, extensive use was made of Microsoft Excel and Microsoft PowerPoint for additional analysis and some drawings.

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3.7 Access, Privacy, Confidentiality and Ethics

The ethical clearance for this research was applied for and approved, as in Appendix 1. Since ethics in research is of utmost importance, I have committed to sticking to the ethics agreement in my data collection, analysis, and reporting. As part of the permission agreement of conducting the study with the Banking institution, the Bank's name will not be revealed and also the names of the executives that took part in the research study. Participation was voluntary and the participants were allowed an opportunity to decide against taking part in the interview at any stage without any consequences. The research output will be a property of the University of Cape Town and can be published with their consent.

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4) Chapter 4 – Empirical Observations and Findings

4.1 Chapter Introduction

This chapter explains how the data collection took place and the data types used for the research study. It also briefly details how the banking institution, which is the unit of analysis of the research study, is structured and its available channels.

The chapter also touches on the interview participants and their roles and influence within the banking institution. Finally, it also shows some high-level findings on the retail customers' profile and platform thinking for an Omni-Channel future.

4.2 Unit of Analysis

Baxter et al. (2008) state that in the case research, the case is, "in effect, your unit of analysis". They go further and recommend that researchers must ask the following questions to help determine what the case is: "do I want to "analyze" the individual? Do I want to "analyze" a program? Do I want to "analyze" the process? Do I want to "analyze" the difference between organizations?" This case research study analyzed the "process" that led to the banking institution's (organisation) *decision to transition* from multi-channel to omni-channel. In this context of a single case, the retail banking institution was the unit of analysis.

The banking institution is made up of three main customer segments: Retail, Commercial, and Corporate segments. The focus of the research study was mainly on the Retail segment with a specific focus on the Consumer and Wealth segments, where there are multiple channels for Customers to interact with the Banking Institution.

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The four main banking pillars are Transact, Lend, Invest, and Insure. There is also a Connect pillar, which is the recently added mobile service business of the bank. At least one of these pillars are the reason why the customer would want to interact with bank. That conversation could take the shape of a service, where the customer initiates the conversation because they need assistance, or a sale where the banking institution initiates the sale. In recent times though, customer-initiated sales have become prevalent.

4.3. Channels

Underpinning these segments and enabling the pillars are the channels. These are the business units that are the front office or the first port of call for the customers to interact and converse with the bank. The bank has about eight ways or mediums of contacting the bank: Branch, ATM, Online Banking, Mobile Application (App), Chat Service through the App, Voice Call, Unstructured Supplementary Service Data (USSD), and email. These can be categorised as assisted, unassisted, face-to-face, non-face to face, physical walk-in, and online transacting. Table 8 below shows this channel split.

		Self Service	Assisted
Physical or Offline	Branch		Yes
	ATM	Yes	
Online	Online Banking (Website)	Yes	
	Mobile Application (App)	Yes	
	Chat		Yes
	Voice		Yes
	Cellphone Banking (USSD)	Yes	
	Email		Yes

Table 8: Banking Channels

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Currently these channels are mainly independent, which is a Multi-Channel approach, but channel integration through technology is underway to achieve Omni-Channel status, hence this research study on the decision to transition.

4.4 Data Collection

Since this case research is qualitative, the data collection method employed was through structured and semi-structured interviews, and documentation available through the strategic project and initiatives within the group.

4.4.1 Interviews

The interviews data collection occurred over a period of 3 months from January 2019 to April 2019. An email was sent to all participants inviting them to participate in the research study. Attached to the email invitation was the consent form, see Appendix 2, for the participants to sign after the interview session. Also attached was the sample research schedule, see Appendix 3.

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Table 9 below shows all the research participants that were interviewed.

Role	Channel	Executives	Tenure	Code name
Head - Customer Experience - Contact Centres	Voice, Chat, and Email	Business	> 10 years	AB - Head CE CC
Head - Consumer Segment Sales	Physical	Business	between 5 and 10 years	AB - Head Consumer Sales
Head - Contact Centres Sales	Physical	Business	between 5 and 10 years	CV - Head CC Sales
Head - Digital Sales	Digital	Business	between 5 and 10 years	MA - Head Digital Sales
COO - Contact Centres	Voice, Chat, and Email	Business	> 10 years	AB - COO CC
CEO - Consumer Segment	Physical and Voice	Business	> 10 years	CN - CEO Consumer
CEO - Branches and ATMs	Physical	Business	> 10 years	LvZ - CEO BranchATM
CEO - Customer Interactions	Digital	Business	between 5 and 10 years	LK - CEO Customer
CIO - Branches and ATMs	Physical	Technical	< 5 years	NV - CIO Consumer
COO - Contact Centres Wealth Suites	Voice, Chat, and Email	Business and Technical	between 5 and 10 years	SM - COO Wealth Suites CC
CEO - Contact Centres	Voice, Chat, and Email	Business	> 10 years	SM - CEO CC

Table 9: Research Participants

They are the key decision makers within the bank, especially on Channel alignment and strategic direction they take. They played a critical role in the Omni-Channel banking strategy decision. No channel specific strategic direction decision, especially the retail segment, is taken outside this core team. They sponsor and own all strategic programmes around the channels.

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When a request for consent to conduct this research study was made to the financial institution, a promise was made not to reveal the banking institution's name as well as the research participants in the final dissertation report. In order to conceal their identity, the code name column contains the code names assigned to each research participants. These will be used across the entire report. All the audio files from those interviews and transcripts generated from the audio files are all included in the NVIVO project.

4.4.2 Observations and Documentation

Strategic documents from the key channels like Physical Channel, Voice and Chat channels were included in the NVIVO project. Also included in the NVIVO project were the industry specific documentation from the major organisations in the Omni-Channel and Customer Experience sector, e.g. Gartner, Cisco, Genesys, and Dimension Data as shown in table 10. below.

The information in table 10 below used as supplementary information to the research findings. Most of these companies are reputable research organisations and they provide valuable advisory services to most financial institutions around the world.

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Company	Paper Name (s)	# of Papers	Publisher(s) & (Year)
Dimension Data	*a)* 2019 Global Customer Experience Benchmarking Report Executive Guide, *Bridging the artificial reality* b) 2017 Global Customer Experience Benchmarking Key Findings Report, Digital crisis or redemption *The uncomfortable truth*	2	a) Allman (2019) b) Allman (2017), 20th anniversary edition (2017)
Cisco	Winning Strategies for Omnichannel Banking	1	Ericsson, J., Farah P., Vermeiren A., and Buckalew L. (2012)
TeleTech	Masterminding the Contact Center of the Future	1	TeleTech Holdings, Inc (2014)
Gartner	a). Top 10 Trends and Their Impact on IT Infrastructure and Operations b). The Top 10 Strategic Technology Trends for 2016 c). Magic Quadrant for Contact Center Infrastructure, Worldwide, Gartner	3	a). Cappuccio, D. (2014) b). Burke, B. (2015) c). Kraus, D., and Blood S. (2017).
Accenture	The New Omni-Channel Approach to Serving Customers: *Strategy Implications for Communications Service Providers*	1	Carroll, D., & Guzman, I. (2012)
Deloitte	Delivering the Digital Contact Centre, *Digital channels open new opportunities for contact centres*	1	Deloitte (2015)
Bain & Company	Management Tools & Trends	1	Rigby, D., and Bilodeau, B. (2015)

Table 10: Qualitative Research Documentation – Unstructured Industry Documents

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4.5 Customer Segmentation

Customers within the Retail business are segmented into the Consumer and Wealth Segments. The Consumer segment has sub-segments of Lower Consumer and Upper Consumer. The Lower Consumer sub-segment are all entry level customers up to anyone with income level below or equal to R80K per annum. The Upper Consumer Customer sub-segment base are customers with an income level of up to R350K per annum

The Wealth Segment is made up of three specific sub-segments: Lower Wealth sub-segment, Middle Wealth sub-segment, and Upper Wealth sub-segment. The Lower Wealth sub-segment are all customer earning an income of above R300K per annum up to R750 per annum.

The Middle Wealth sub-segment are customer earning an income of above R750K and below R1,500,000. The Upper Wealth sub-segment is all the customers that earn R1,5 million and above.

4.6 Bank's Investment Decision Making

With regards to investments in technological innovation, the business unit (BU) where the innovation comes from initiates investment conversations through a business case, shown in figure 4 below. The business details why the investment is needed, expected benefits (both quantitative and qualitative), how the innovation will be implemented, risks, and when it will be implemented. If the investment is less than R10 million, the BU exco can approve the investment and commence with it. Otherwise, if the investment is higher than R10 million and would benefit other business units or channels, the BU executive committee presents the business to the retail segment executives which the BU belongs to.

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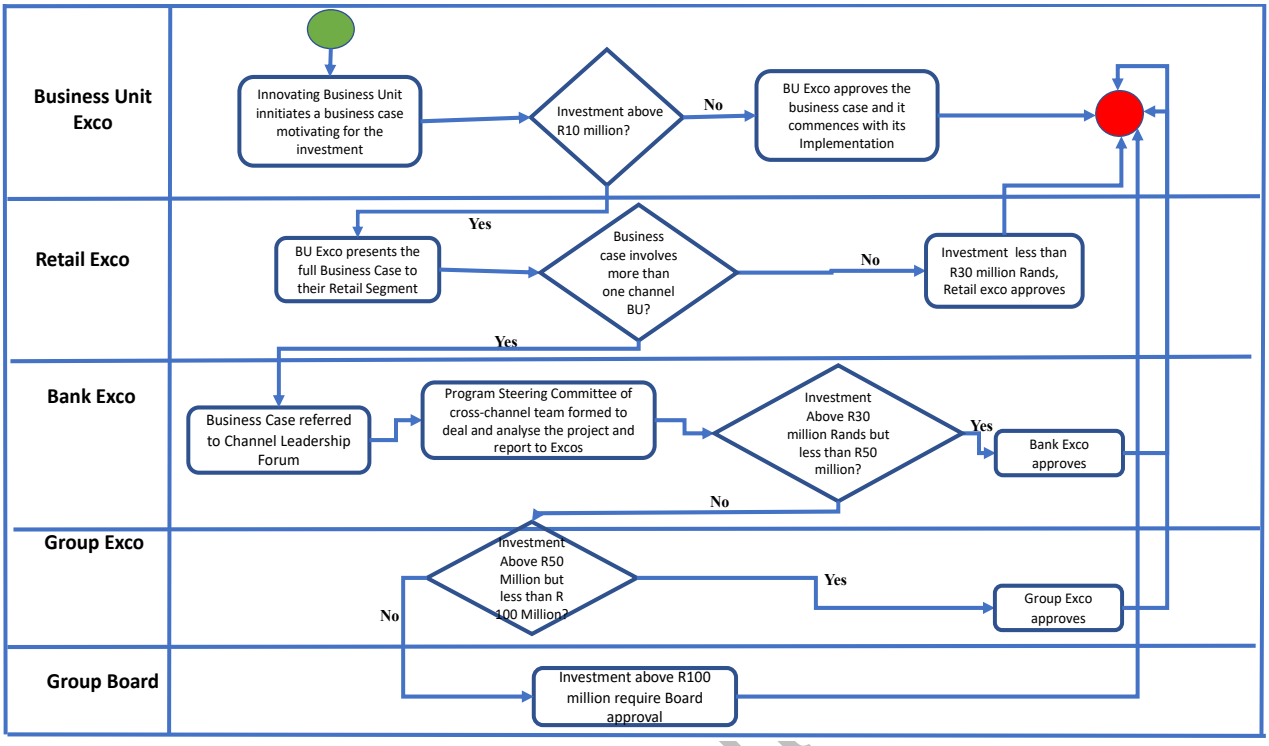

Figure 4: Bank's Investment decision making

The retail exco can then refer the investment to the Channel Leadership Forum, where all channels executive meet to discuss the issues of common interest, and also establish a Steering Committee, made up of the mainly affected Channels' CEOs, to advise and report back to various executive committees about the investment. If the investment is above R30 million, retail exco will refer to the investment to the full Bank Exco, where other bank's divisions like Product Houses and other Segments are represented. If the investment is above R50 million, the full Bank Exco will refer the investment to the Group exco. This banking institution is part of a bigger financial institution that includes various other financial and insurance interests. All these companies' leaders make up what is called a Group Exco. If the investment is higher than R100 million, the Group Exco refers the investment to the Group's Board of Governors for their approval.

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4.7 Bank's Customer Profile

The Retail bank does business with any Customer from Baby Boomers, GenX, Gen Y, GenZ, and Millenials as long as they can interact with the bank using any medium. That would mean these customers have their own preferences in the way they interact with the bank and the bank must factor all their needs in the customer journey so that they can address their specific requirements. The bank's customer profile is anyone with a banking requirement. Based on their profile and segment they belong to, the bank has a different digital response mechanism to simplify their banking needs and experience.

Everybody has their need to make their banking life simpler and more convenient. *"For example for our Lower Consumer sub-segment, the USSD Solution (Cellphone Banking) becomes so appropriate for them*" (LK – CEO Customer Interactions). "*In the Consumer segment (Lower Consumer and Upper Consumer) customers still feel comfortable with engaging and getting assurance from someone verbally, either through face to face (F2F) or telephonically*" (AB – COO CC; SM – COO Wealth CC). The younger generation like Gen Y and Millennials also require some accommodation by the bank on their needs. They tend to utilise the digital platforms more even though they belong to the lower segments. "*We need to accommodate the younger generation and more affluent customers who want to transact from the digital platforms, but also cater for customers who don't have the modern technologies and also the older generations who are sometimes threatened by technology and they still prefer face to face*" (LvZ - CEO Consumer).

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The wealth segment customers are more receptive to technological innovations like mobility since they travel a little more than the lower segments customers. "*In the Wealth Segment customers are finding it a lot easier to engage on the digital platform and value the mobility because they are they mostly travel and require these banking services on their travels*" (SM – COO Wealth CC; NV – CIO Consumer).

4.8 Omni-Channel Banking Understanding

One of the questions asked, as part of the introductory questions to the executives, was their understanding of Omni-Channel banking. As concepts, both Multi-Channel and Omni-Channel Banking are understood exactly the same way by the Executives with the benefits and also the price the bank could pay if it doesn't pursue an Omni-Channel strategy.

Omni-Channel banking is having a full picture of a customer profile irrespective of a channel in real time. *"Banker should be able to see how and when the customer generally interacts with the bank. Any open complaints, queries and compliments pending. Its availability to all channels is critical. Then relevant offerings can be made available in any channel*" (AB – Head CE CC). "*Omni-Channel Banking is allowing the customer to interact with the bank on any channels they would prefer but also more importantly for the other channels being aware of what other channels are doing by allowing for information to be shared across channels*" (SM – CEO CC; LK – CEO Customer Interactions).

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If there is a pending request all the context information should be available in any channel for the customer to be serviced properly. "*Omni-Channel banking is the ability for a customer to start engagement with the bank or any other entity on a certain channel be it video, chat, email, etc, but can choose to continue with the engagement at any other time using any other different channel. The use of multiple channels to solve a customer's need*" (AB – COO CC).

The major benefit of Omni-Channel banking would be an enhanced customer experience "O*mni-Channel is to make sure we create a seamless and homogeneous experience for customers across all the channels that we have. When we interact with the customer as a bank, the encounter should be seamless for the customer"* (CV – Head CC Sales). "*The customers chooses to interact on any of the channels made available to them and can seamlessly move across channels. It's that whole eco-system of channels that's available to them instead of us choosing for them*" (LK – CEO Customer Interactions).

The sales areas or divisions within the bank will also benefit. There will be no context lost when a customer moves channels. *"For example, in the branch network, the unsecure credit sales is one of the best examples. The branch receives hundreds of credit applications and the customer might not necessarily take up real time. Some of those applications will not be taken up instantly because of various reasons like documents being unavailable. Those can then be sent to other channel environments such as contact centres where the customer will be contacted. What is important is handing sales opportunities to other environments to maximize the sales result. This is the principle of symbiotic relationships*" (AB – Head Consumer Sales).

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4.8.1 Omni-Channel Benefits to the Bank

Again most executives agree on the benefits of pursuing an Omni-Channel strategy. These range from a better customer experience, cost optimisation, efficiency improvements, and an enhanced technology infrastructure. Some of the respondents' feedback on the business benefits that Omni-Channel banking would bring are highlighted below:

Some of the biggest benefit for Omni-Channel banking is around efficiency improvements. "*There are major inefficiencies when omni-channel does not exist. These involve the time to drive to resolutions. For example when a customer starts an engagement in one channel and then gets transferred to another channel, time is spent by someone in the latter channel to try and understand the need of the customer*" (AB – COO CC).

The other efficiency improvement is around the cost of sales "*The biggest benefit of Omni-Channel is efficiency improvements, especially on the cost of sales and the other is customer experience*" (AB – Head Consumer Sales; AB – COO CC). "*If the channels can come closer and work better together, value could be realised a lot quicker for customers and there would be certain standards that people would have to adhere to ultimately achieve a better customer experience*" (CV – Head CC Sales).

Customer convenience is the other Omni-Channel benefit identified by the respondents "*Customer convenience and choice from a customer perspective. From the Bank perspective there is multiple benefits. For example, we can push certain information through certain and dedicated channels like for assisted and face to face, we can do more money management conversation, and for direct and targeted sales, we could choose the digital channel*" (LvZ – CEO BranchATM). Eventually all the Omni-Channel banking benefits would translate to some financial benefits, whether it is revenue generation or cost optimisation.

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"*Omni-Channel banking would assist in cost optimisation and providing customer convenience. Even though most sales are conducted in branches because customers are comfortable with that, the Digital channels are available 24/7 and come at a fraction of the cost of any of the channels. But the willingness from a customer to buy new products from a digital channel is low hence the branches and Contact Centres still exist*" (CN – CEO Consumer).

4.9 Platform Thinking for an enhanced Customer Experience

From the discussions with all the executives, there is a common theme of a Platform approach strategy to solving the current and future business objectives, especially Omni-Channel banking. It's called the Platform Thinking and it is reflected in all the company's strategic documentations. "*A Single platform definitely the way to go*" (AB – Head Consumer Sales) and "*a single database of all customer interaction*" (AB – Head CX CC). "*The reason multi-channel banking is still in existence is that we were born in different eras across the various channels and not on the same platform*" (SM – COO Wealth CC). At a high-level, the banking institution sees the platform as a collection of capabilities enabled by a data driven, scalable, secure, service-based technology infrastructure. "The design of the platform is based on principles like loosely coupled components to support wireless clients and aggregated services, distributed deployment for performance and rapid scaling, stable application program interfaces (APIs) to ensure separation of concerns, semantic translators to easily swap out a service, continuous monitoring of external and internal service levels to look for bottlenecks or worrisome components, and dynamically composed services to deliver contextual experiences" (Bank Strategy Documents, 2019). "*If you do not have the scale then there is no business because people prefer to be on big platforms*" (CN – CEO Consumer).

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The benefits that the platform should deliver are compelling customer and employee experiences, insights to improve interactions, outstanding performance, modular integration, secure interactions on any device over any network and at internet scale. "*FinTechs are driven in this overall Omni-Channel approach of Platform thinking and we have to act like one*" (MA – Head Digital Sales).

4.9.1 Platform's Principles

The Platform design principles that the banking institution have adopted to enable Omni-Channel Customer experience include:

- **The Bank's customers, employees, and partners** interact with the platform in assisted or self-service mode and the interactions are enabled through devices that are convenient to the citizen.
- **Experience Layer:** interactions are experiences that are tailored according to preferences, context and insights with end-to-end visibility and pro-active recommendations;
- **Solutions Layer:** Solutions are dynamically composed from business services and delivery thereof orchestrated based on the context provided by Experience Layer
- **Services Layer:** Business services are deployed to be consumed as part of a dynamically composed solution
- **Data** is gathered, stored and analysed to provide deep insights to improve citizen experiences and solutions
- **Security:** Interactions are based on secure identification, authentication and permissions

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4.10 Chapter Summary

In this chapter how the retail bank is structured and the executives that participated in the research study and their roles were outlined. How internal bank customer segmentation is done was also explained. Finally, the Omni-Channel banking concept from a bank perspective, and the Platform thinking that enables this Omni-Channel journey were also elaborated.

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5) Chapter 5 – Analysis and Discussion

5.1 Chapter Introduction

This chapter analyses the data as received from the various collection methods: interviews and observations. This will be according to the primary research question reiterated below:

What are the factors that influenced the decision to transition from Multi-Channel to Omni-Channel Banking by a Banking Institution?

5.2 Data Analysis

The data analysis was done through thematic analysis. Thematic analysis aims to identify all data that relates to classified patterns. It combines and catalogues these patterns into themes (Mouton, 2011). Thematic analysis also aims "to understand the various constituent components of data through inspection or the relationships between concepts, constructs or variables, and to see whether there are any patterns or trends that can be identified or isolated" (Mouton, 2011). Through its theoretical freedom, thematic analysis provided that agility needed in the research tool with its rich, detailed, and yet complex record of data (Mouton, 2011).

5.3 Executives Analysis

The analysis of the data from the executives that took part in the research study is around their tenure in the business, the channel(s) they belong to, and the type of executive they are: business oriented or technical driven.

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5.3.1 Tenure

Few executives are less than 5 years in the business as the bank believes in grooming and developing its leadership from within. In fact only *NV – CIO Consumer* who is technical from the Physical channels or Branch and ATM network. Five executives fell in the category of between 5 years and 10 years in the business namely: *LK - CEO Customer Interactions*, *SM - COO Wealth CC*, *AB - Head Consumer Sales*, *CV - Head CC sales*, and *MA - Head Digital Sales*. Two are from the Digital channel, two are from the Voice and Chat channel, and the other one is from the Physical channels. Four are business executives and only one is of technical orientation. Five executives fell in the category of being with the business longer than 10 years namely: *AB - Head CE CC*, *SM - CEO CC*, *AB - COO CC*, *CN - CEO Consumer*, and *LvZ - CEO BranchATM*. Three are from the Voice and Chat channel, and the other two are from the physical channels. There were none from Digital channel. All five executives are of business orientation and none is technical.

5.3.2 Executive Type

Only two executives fell in the category of being Technical executives: *SM - COO Wealth CC*, and *NV – CIO Consumer*. One is from the voice and chat channel, and the other is from the physical channel. The physical channel executive has only been in the bank less than 5 years and voice and chat executive's tenure is between 5 and 10 years. All the other nine executives are of business orientation: *AB - Head CE CC*, *SM - CEO CC*, *AB - COO CC*, *CN - CEO Consumer*, *LvZ - CEO BranchATM*, *LK - CEO Customer Interactions*, *AB - Head Consumer Sales*, *CV - Head CC Sales*, and *MA - Head Digital Sales*.

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Their tenure ranges between 5 and 10 years, and over 10 years. They come from all the three main channels: Physical, Digital, and Voice and Chat.

5.3.3 Channels

Only two executives come from the Digital channel namely: *LK - CEO Customer Interactions*, and *MA - Head Digital Sales*. Both are business oriented executives, and have been with the banking institution between 5 and 10 years. Four executives come from the Physical channel namely: *NV – CIO Consumer*, *CN - CEO Consumer*, *LvZ - CEO BranchATM*, and *AB - Head Consumer Sales*. Three are of business orientation and only one is technical. Two have been with the banking institution for over 10 years, one between 5 and 10 years, and the other one has been with the bank for less than 5 years. Five executives come from the Voice and Chat channel namely: *SM - COO Wealth CC*, *AB - Head CE CC*, *SM - CEO CC*, *AB - COO CC*, and *CV - Head CC sales*. Four are of business orientation and only one is technical. Three have been with the banking institution for over 10 years, two between 5 and 10 years, and none with less than 5 years of experience within the bank.

5.4 Themes

The central theme to emerge out of this research study is that Customer Centricity is the biggest driver behind the Omni-Channel journey or the decision to transition from Multi-Channel to Omni-Channel Banking. Whether from the interviews or observations or documentations, its standing is as the biggest factor driving the transition from Multi-Channel to Omni-Channel banking. The other factors, critical as they are, are either enabling customer centricity or are outcomes from a good customer centric approach. Figure 5 below shows some of the emerging themes and sub-themes as analysed and discussed below.

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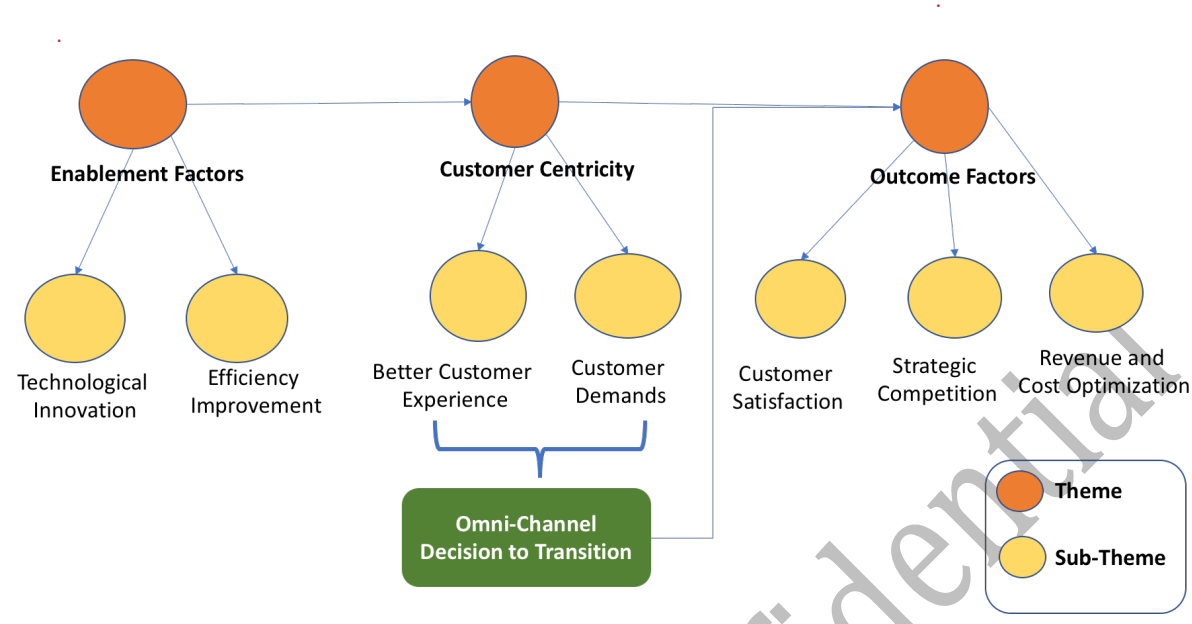

Figure 5: Themes and Sub-Themes

5.4.1 Customer Centricity

From the NVIVO analysis, the word *customer* appeared more than a thousand times in the project, which included interviews, strategic and industry documentation. The next most frequent terms were *experience* and *channel* at 383 times and 354 time respectively. The word *customers,* was the next most frequent, appearing 306 times. Figure 6 below show the top 10 word counts in the project.

Figure 6: Top 10 Word count in the project

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Figure 7 below shows the legends of all the pictures generated from NVIVO about the extent of each node. All the codes and audio code as well strategic and industry documents that talked to the node.

Figure 7: Legends of all the figures generated from NVIVO

Even though Customer Centricity was never part of the initial theoretical model or internal or external factors, it still emerged as the central theme in the research study. The node customer centric, as standalone outside its sub-themes of customer experience and customer demands, was still touched on by most audio codes, interview transcripts and observation documents, as shown in figure 8 below. The bank has adopted a customer centric approach. "*Traditional banks have to become Customer Centric because that is the only way they can differentiate themselves from the new Digital banks who only offer only digital solutions.*" (AB – Head Consumer Sales). "*The bank has adopted a massive customer centric approach over the past two years. There is a consistent message of us being customer centric organization*" (AB – COO CC).

"*I would even put the Customer ahead of the economic needs or demands of the bank*" (MA - Head Digital Sales). "*Move your customer to the centre of everything you do because that's the reason for your existence as a bank.*" (NV – CIO Consumer). *"It is an act of competition and also a survival tactic.*" (AB – Head Consumer Sales).

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Everything the bank does is geared towards the customer. "*That has created the value for the customers and that differentiated us from competition*" (LK - CEO Customer Interactions). "*The Customer is then at the centre on most of this decision making*" (LvZ CEO Consumer). "*There is a consistent message of us being customer centric organization*" (AB – COO CC).

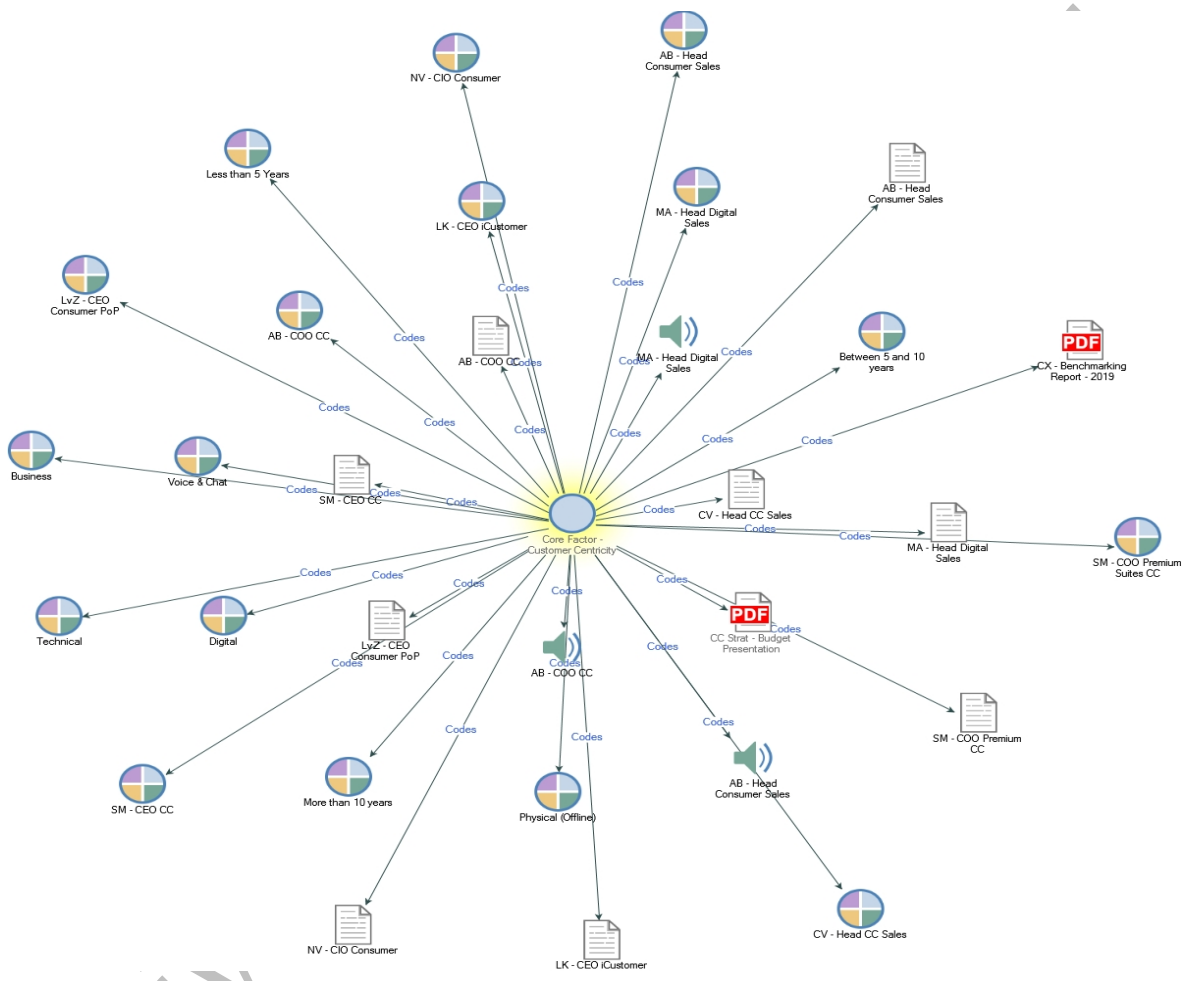

Figure 8: Customer Centricity Explore Diagram

Omni-Channel banking is one of the strategies to drive the bank's customer centricity philosophy. "*If you want to drive customer centricity, then Omni-Channel banking is the way to go*" (CV Head CC Sales). "*If we truly want to be a Customer Centric bank, Omni-Channel banking will make everything flow*" (LK – CEO Customer Interactions).

"*Omni-Channel helps us in our journey to be more Customer centric, and it creates a great customer experience*" (LK – CEO Customer Interactions)**.** "*To realise our organizational strategy, customer at the centre and to be an Integrated Financial Services supplier, Omni-Channel Banking becomes a big enabler*" (SM – CEO CC).

The customer sitting at the centre of the bank strategy: "*To remain competitive and a viable business entity we have to be customer Centric*" (SM – CEO CC). "*The biggest factor for the bank's decision to transition Omni-Channel banking is customer experience since we want to be a truly customer centric institution" (LK – CEO Customer Interactions*).

5.4.1.1 Customer Experience

Customer Experience (CX) emerged as the biggest sub-theme not only for Customer Centricity but in the research study. The explore diagram in figure 9 below shows that all the audio files, transcripts, and strategy documents all spoke about Customer Experience. "*There are other variables that have pushed the omni-channel journey, but customer experience has probably contributed 70-80% in our Customer 2025 journey*" (AB – COO CC). "*Channels shouldn't stand independently they must collaborate and that would enhance customer experience*" (CV – Head CC Sales). "*Customer Experience is the biggest factor for our decision to transition from Multi-Channel to Omni-Channel banking*" (LK – CEO Customer Interactions).

The biggest factor contributing to the decision to transition to omni-channel banking was because of Customer Experience. "*I believe in future it would be difficult to design a good customer journey without an omni-channel experience*" (AB – COO CC; AB - Head CE CC).

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"*The Overarching benefit of Omni-Channel banking is customer convenience, and customer choice which creates a good customer experience*" (LvZ – CEO BranchATM). "*Omni-Channel banking would allow us to optimise the interactions based on the customer preference*" (LK – CEO Customer Interactions)**.** Omni-Channel banking create a seamless and homogeneous experience for customers across all the channels that the bank have. "*If the channels can come closer and work better together, value could be created a lot quicker for customers and there would be certain standards that people would have to adhere to ultimately achieve a better customer experience*" (CV – Head CC Sales). "*We have a customer experience and focus in mind as a banking institution*" (SM – COO Wealth CC).

Omni-Channel is becoming a minimum standard for banks where data and information is shared across channels. "*Data and information must be shared freely across channels so that it becomes easier for customers and a better customer experience*" (LK – CEO Customer Interactions). "*When data and information is shared, it really presents an opportunity for a genuine and vastly improved Customer Experience*" (AB – COO CC). "*If data and information is not shared across channels, first call resolution will not be achieved and will result in a hand-off to another area within the bank. In that area the customer will have to start the process from scratch and that compromises customer experience*" (AB – COO CC).

There can be multiple people that can help a customer during the engagement and customers become irritated when they have to repeat themselves all times. "*Channels must be brought closer together*" (LK – CEO Customer Interactions).

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"*For example, one can visit a branch to log a complaint but later on get called by a bank agent with absolutely no knowledge that you had logged a complaint earlier on at a different channel. Even within the contact centre environment, inbound and outbound personnel may not necessarily see the same information*" (SM – COO Wealth CC).

Customers want variety and choice. "*They want to engage both physically and digitally*" (MA – Head Digital Sales). "*The ideal customer experience is where the customers have a choice on how they want to interact with the bank, and where there's seamless integration of channels and mediums. Irrespective of how and when the interaction is done, the history of the customer's previous engagements is visible in any medium*" (SM – COO Wealth CC), see figure 9 below.

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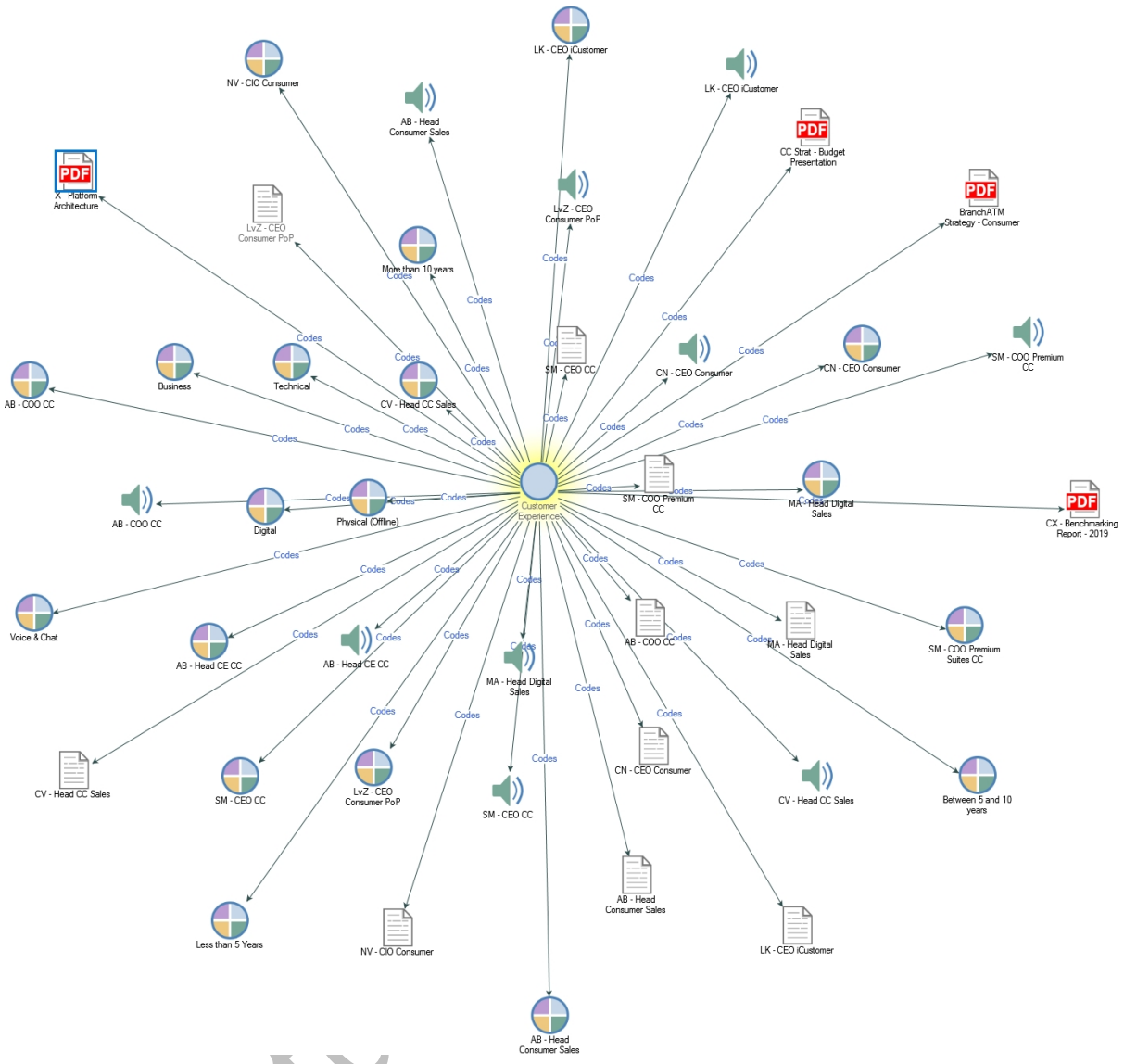

Figure 9: Customer Experience explore diagram

In the voice and chat channel, there is also a case to be made for an Omni-Channel experience, because there are three separate mediums, and also three separate technologies in voice, chat and email. Maintenance and building capabilities become a challenge. "*We are unable to fully scale up our development efforts across all mediums because they are isolated from each other*" (SM – COO Wealth CC).

An Omni-Channel capability where any agent could assist customers in any medium (voice, chat, video, or email), and where these are tightly integrated, there would yield economies of scale in the workforce and achieve a true customer experience.

5.4.2 Enablement Factors:

Another theme to emerge out of the research study's data collection is around the enablement factors that support the customer centricity theme. Technological Innovation and Efficiency Improvements are seen as the enablers for the Omni-Channel banking journey.

5.4.2.1 Technological Innovations

Technology is central in the Omni-Channel strategy. "*The single biggest factor influencing the decision to transition from Multi-Channel to Omni-Channel banking is customer experience, but with technology enabling us to deliver that good customer experience*" (AB – COO CC). Like Customer Experience, Technological Innovation was the biggest sub-theme covered during the data collection process. Interview records, transcripts, and some observed strategic documents all had technological innovations at the centre. Figure 10 below shows how widespread was the theme of technology covered. "*You cannot implement any Omni-Channel strategy without Technology. Customer Experience should drive business process and business processes should be enabled by Technology*" (MA – Head Digital Sales). "*Technology helps us to execute our strategy as an overall enabler. It's a building block that is required now that if we don't invest on it, it will catchup with us badly. Culturally, within the bank, we don't just bring technology for technology sake, but it must be a huge enabler for a business objective or a business case*" (SM- CEO CC).

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One of the bank's strategic initiatives is the use of the digital platforms. "*We try and educate our customers to be comfortable with technology from all segments not only the upper segments*" (LvZ - CEO BranchATM). "*We are extremely ambitious when it comes new technological advances. On a scale from 0 to 10, I would say we are 100. Without technology integration of channels would not be possible. If we do not harness the value derived from open architectures, data sharing, data driven systems, efficiencies given to people – we would not realise the true omni-channel experience*" (SM – COO Wealth CC).

"*We have to try and stay abreast of technological advances. We are very innovative but we can work closely together with synergistic outcome. For example when in a branch, upfront authentication is critically important and non-negotiable for either a sales or service. Only Technology can enable this*" (NV – CIO Consumer).

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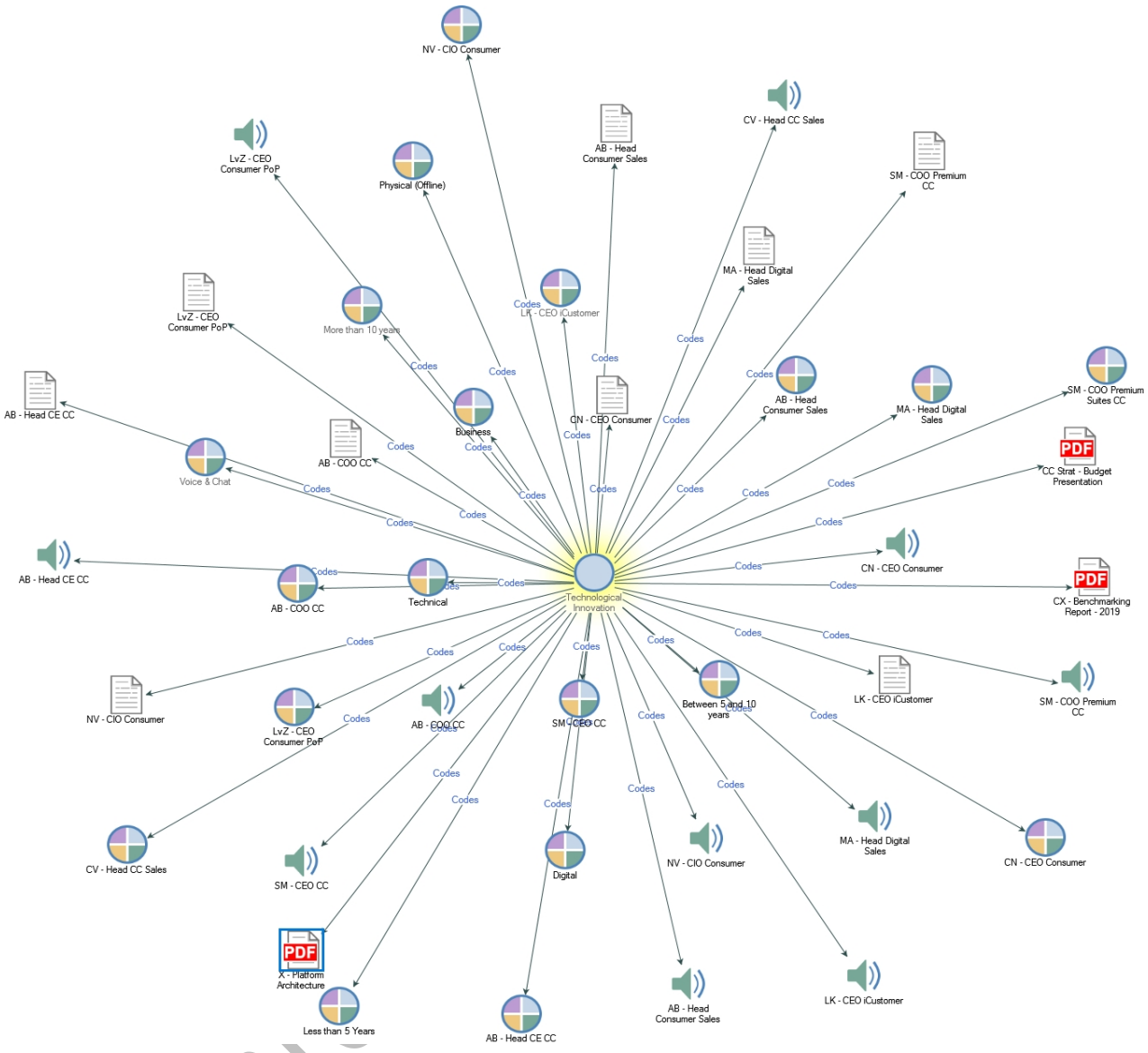

Figure 10: Technology Explore Diagram

Decommission Legacy System

The Omni-Channel journey presents the bank with the opportunity to decommission some of the legacy technologies. Most of the bank's Channel technologies are coming to an end of their life.

They have been in existence for over 10 years and there had been a fair amount of new enhancements added over the years but they have aged and have not kept pace with the rest of the industry. "*This is therefore an opportunity for the bank not just to replace these technologies, but rather pursue the omni-channel journey*" (AB – COO CC). "*Technological innovation phenomena has driven the DNA of our banking institution for a very long time*" (LvZ – CEO BranchATM).

Competition are catching up though with the bank and they need to accelerate the pace of new technology adoption through investment in new technologies, otherwise they risk falling behind. "*The bank has done well up until this point. We've been the most innovative bank in the country with innovative products and channels for customers, and in the majority of times having been ahead of our competitors. I would consider technology as the number one thing that should be invested in when it comes to this Omni-Channel journey*" (AB – COO CC).

Smart Technologies

As part of the Omni-Channel journey smart technologies like Financial Technologies (FinTechs) driven by artificial intelligence (AI) and machine learning have emerged. "*Technology is a critical ingredient for Omni-Channel journey as there are plenty of AI opportunities and machine learning in this journey*" (MA – Head Digital Sales).

"*Omni-Channel banking goes hand in hand with intelligent technologies. Without technology you'll never achieve a true Omni-Channel banking environment*" (AB – Head CE CC; CV – Head CC Sales). "*Technologies like intelligent smart call routing, Natural Language Processing (NLP), and voice and face recognition would enable this CX journey*" (AB – Head CE CC).

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The first attempt in these solutions is the Natural Language Processing (NLP) technology. To achieve real benefits on the Omni-Channel efforts and improve efficiencies, the bank is playing with various technologies like the NLP. "*The bank has a significant opportunity to restructure very old IVR conversations to far more slick engagement where you can understand the customer request faster and accurately than it was in the past*" (AB – COO CC). "*The NLP replaces the IVR with simple intent message and the routing of the interaction is done instantly*" (NV – CIO Consumer). "*An ideal Omni-Channel world, intelligent IVRs like NLP would allow for self-service. Initially, this can take the form taking care of non-value adding components in the organisation such as authenticating the customer*" (SM – COO Wealth CC). "*From an omni-channel strategy perspective, a single technological platform is definitely the way to go*" (AB – Head Consumer Sales). Technological and digital innovation is very important for the bank as it allows it to stay relevant and competitive. "*It is about what is the need and the most efficient way of learning the enablement to stay relevant. It is about the foundation of technology as opposed to the point solutions because the point solutions would go out of fashion quickly while the foundation of technology would enable you to keep going*" (NV – CIO Consumer). "*When formulating our strategic goals as a banking institution, information technology is extremely top of our minds, if not the most important component. Banking Institutions are technological institutions in disguise*" (SM – COO Wealth CC). "*Technology Integration is the single biggest ingredient in the recipe that would help the bank achieve their strategic goals. No other element is as important as technology in the next five years. Although we still have branch network and contact centres, the technology would help these front line agents to have the right conversation and deliver with speed to drive the future profitability of the bank*" (AB – COO CC).

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Shared Technologies

For any Omni-Channel efforts to succeed sharing of systems and information is critically important. This is to ensure that it is easily available on any channel and device or medium. The bank is rolling out technology in a systematic fashion to ensure sharing and alignment across channels. "*From a service perspective we are positioning Omni-Channel using the Digital Banking platform front-ends. If a customer walks into a branch there is digital self-help zone for online banking and in future banking staff would increasingly use online channel to assist customers on the same platform that customers would be happy with. The same technology is being rolled out in Contact Centres (CCs) and effectively merging all service channels onto online banking service functionality on different interfaces i.e. smart phones, tablets, computers, and branches*" (CN – CEO Consumer). "*From a sales perspective, we are also rolling out a single Sales Platform that is currently used particularly by branch staff and the same platform is being moved to CCs with exactly the same channel technology exposing it through the different areas, which is our practical way of ensuring Omni-Channel banking through technologies*" (CN – CEO Consumer). "*The customer does not have to start the conversation from scratch every time the enter a different channel because the process can be paused and then picked up later from another environment where it was left off*" (AB – Head Consumer Sales).

5.4.2.2 Efficiency Improvements

Also emerging from the research data was the theme or sub-theme of efficiency improvements in this Omni-Channel journey to aid Customer Experience. The explore diagram below in figure 11 shows that all participants and observation documentation had some efficiency improvements as a focus.

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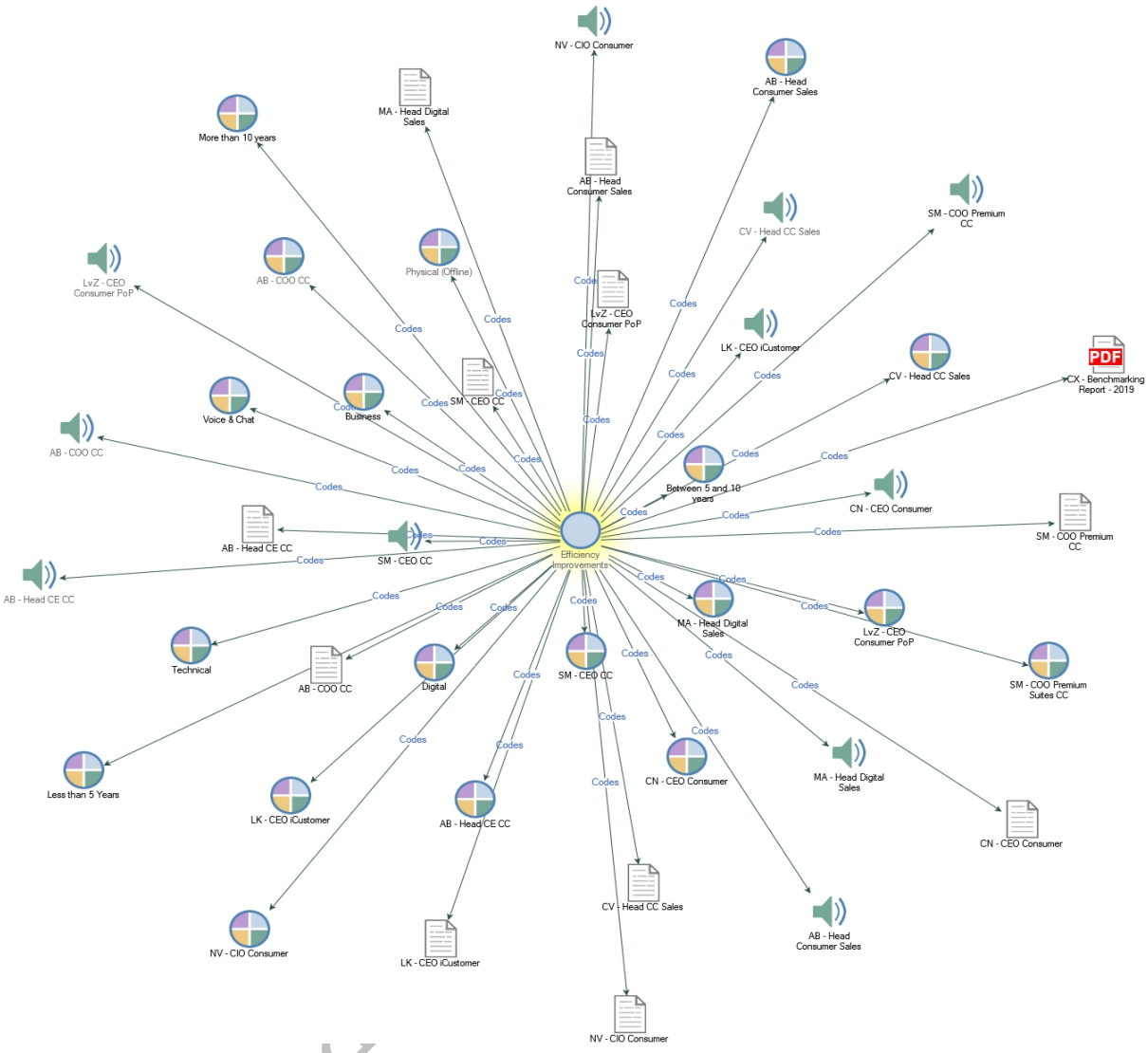

Figure 11: Efficiency Improvements Explore Diagram

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The best way to describe the efficiency improvement theme is through the sub-sub-themes that emerged from data collection.

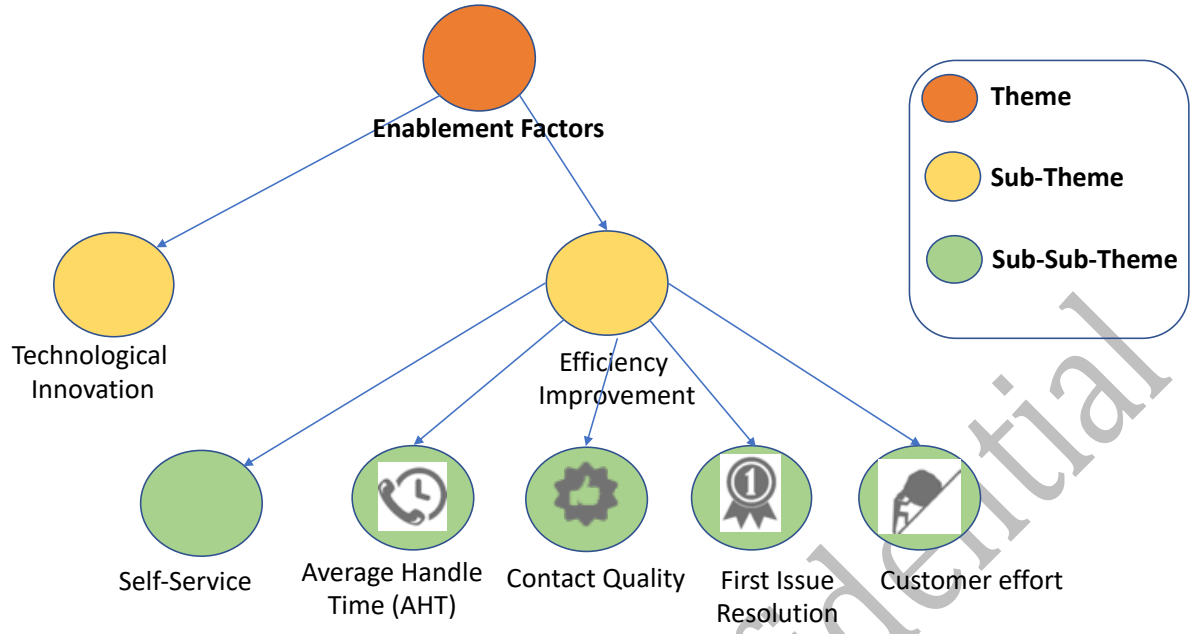

Figure 12: Efficiency improvements sub-sub themes

5.4.2.2.1 Self Service

One of the key reasons why Self-Service is critically important is because it is empowering customers to use self-service which improves efficiencies. "*Support for these self-service customers is key as the digital channels are becoming more complex and sometimes there can be breakages. Contact Centres can play active supporting role for the Digital channels by sometimes intervening where necessary*" (SM – CEO CC). "*Early indication of Omni-Channel Banking are that self-service to take care of non-value adding service like basic queries. Conversation with a human should be value adding*" said SM – COO Wealth CC.

Also, if the offline channels have self-service and capabilities are equal in all channels, the transfer of calls from offline/physical channels to the contact centre will be reduced. "*The reason cross channel transfers exist today is because capabilities to execute a certain function in a branch, for instance, do not exist or are inefficient*" (SM – COO Wealth CC).

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A good omni-channel experience, with self-service, would continue to drive branch call volumes lower and potentially drive contact centre volumes higher in future.

"*Up to two years ago, branch call volumes were significantly higher compared to contact centre volumes. Branch call volumes were sitting at 1,5 million calls while contact centres were at 800 000 calls. Branches had almost double the inbound calls than bank's contact centres. Currently this is starting to balance out because contact centres now have over a million inbound calls and branches volumes have decreased*" (AB – COO CC). "*We've got customers to self-service themselves through the digital zones in our branches. Sustaining that is critically important*" (LvZ – CEO BranchATM). There are certain services that cannot be performed by the customer alone that require some level of assistance from the Bank like the Money Management conversations. "*There will always be a combination of the two (assisted and unassisted) but what is critical is to take out the mundane stuff out of the face of the employees to the self-service, and then the face to face conversations comes into play when high value conversations is discussed – that is where trust becomes entrenched through money management conversations*" (NV – CIO Consumer; SM – COO Wealth CC).

5.4.2.2.2 Contact Quality

Contact Quality is about ensuring that the amount of time a customer affords is spent wisely. The customer should not spend most of the time doing non-value items. "*Good Contact Quality eases customer experience*" (AB – COO CC)."*We work in the most highly regulated industry and the process of authentication is important not only for being compliant with legislation, but also we want to engage and add more value to the customers' lives by ensuring it's securely done upfront*" (AB – COO CC).

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The customer must be authenticated once upfront to use any of the channels with that authentication status. "*This is critical and non-negotiable*" (NV - CIO Consumer). "*This really improves efficiencies. For example, when I visit a branch I would have liked for authentication to be done once upfront either on sales or service not being asked to identify and verify myself all the times*" (NV - CIO Consumer). New technologies like the NLP, facial recognition, and voice biometrics have become critically important to achieve good contact quality. "*The implementation of the NLP technology assists us to achieve contact quality and authentication enablement*" (AB – COO CC).

5.4.2.2.3 First Issue Resolution

Merely creating omni-channel capabilities would not in itself result in first time resolutions (FTR), but rather a coming together of technology and human element that would produce the desired result. "*A combination of a skill and training requirement of front line staff to make the omni-channel journey a reality*" (AB – COO CC). Identification and Verification (ID&V) or authentication upfront is critically important for efficiency improvements as it shortens the length of the conversation and improves customer experience.

"*The beauty of using technology is that it is always full proof. Previously the manual process proved to be inefficient and error prone*" (AB – Head Consumer Sales). To improve efficiencies like FTR the Omni-Channel journey is critically important. "*With our inability to do first call resolution that would lead to more hand-offs to other areas within the bank and there would be huge customer experience problems*" (AB - Head Consumer Sales).

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5.4.2.2.4 Average Handle Time (AHT)

The AHT is a somewhat complex phenomenon and metric. The key objective is the quality of the conversations. The length of the conversation is not that important as long as value is added to both the customer and the bank. "*AHT must be shorter on the query resolution but for value adding conversations or money management interaction it could be longer. For example on an irate customer you want the customer to be sorted in a shortest possible time*" (AB – COO CC). This would also depend on the channel and medium used. "*In a telephone channel the service should be similar although it might take a little longer but of course done in an efficient manner not necessarily constrained to set standard time. However on a chat medium, the customers expects responses to flow immediately a chat is initiated, which would necessarily be driven by the standards*" (SM – COO Wealth CC).

5.4.2.2.5 Customer Effort

Reduction of customer effort in trying to interact with the bank is of absolute importance. "*For omni-channel banking to work properly, the hand off opportunities should be in a slick customer centric and efficient manner*" (AB – Head Consumer Sales).

"*For example, a customer start the sale within a branch and doesn't have all necessary documentation. Then a Contact Centre agent fulfils the sale after calling and requesting the missing documents to be submitted. This is a single sale that requires slick and continuity processes. Also, you cannot hand off a home loan lead to a digital environment because the customer need to speak to someone*" (AB – Head Consumer Sales). When the customer begins the conversations from the start every time he or she changes channels, that increases customer effort and decreases customer experience.

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"*That increases customer effort, which is inefficient. Customer initiated leads are much more effective and easier to convert and therefore we must make it easier for the customer to interact with us*" (CN – CEO Consumer). Seamless integration of technologies across channels through a single platform, with data and information sharing is absolutely important. "*The customer must submit FICA documents once at a certain branch and this should be picked up automatically at any other branch or channel they visit. That reduces Customer effort dramatically*" (NV – CIO Consumer).

5.4.3 Outcome Factors

All of these Omni-Channel strategic efforts have to have some level of benefit to both the Customer and the bank. From the research study and depicted in figure 5 above, Customer Satisfaction, Revenue and Cost Optimisation, and Strategic Competition are the outcome factors identified.

5.4.3.1 Customer Satisfaction

Customer satisfaction also came out as one of the big sub-themes from the research study as shown in figure 13 below.

All the efficiency improvement initiatives have to translate to some business benefit and customer satisfaction. "*All of the above give a view of what customers want, what is their experience on our service offering, and what are the specific operational activities that are causes for concern that we need to improve. The scale gives you costs advantage*" (CN – CEO Consumer). There are many metrics used in order to ensure that the Omni-Channel initiative does add the required value to the customer.

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These include Our Service To You (OSTY), Complaints and Compliments ratio, South African Customer Satisfaction Index (SACSI), Net Promoter Score (NPS), and My Service To You (MSTY).

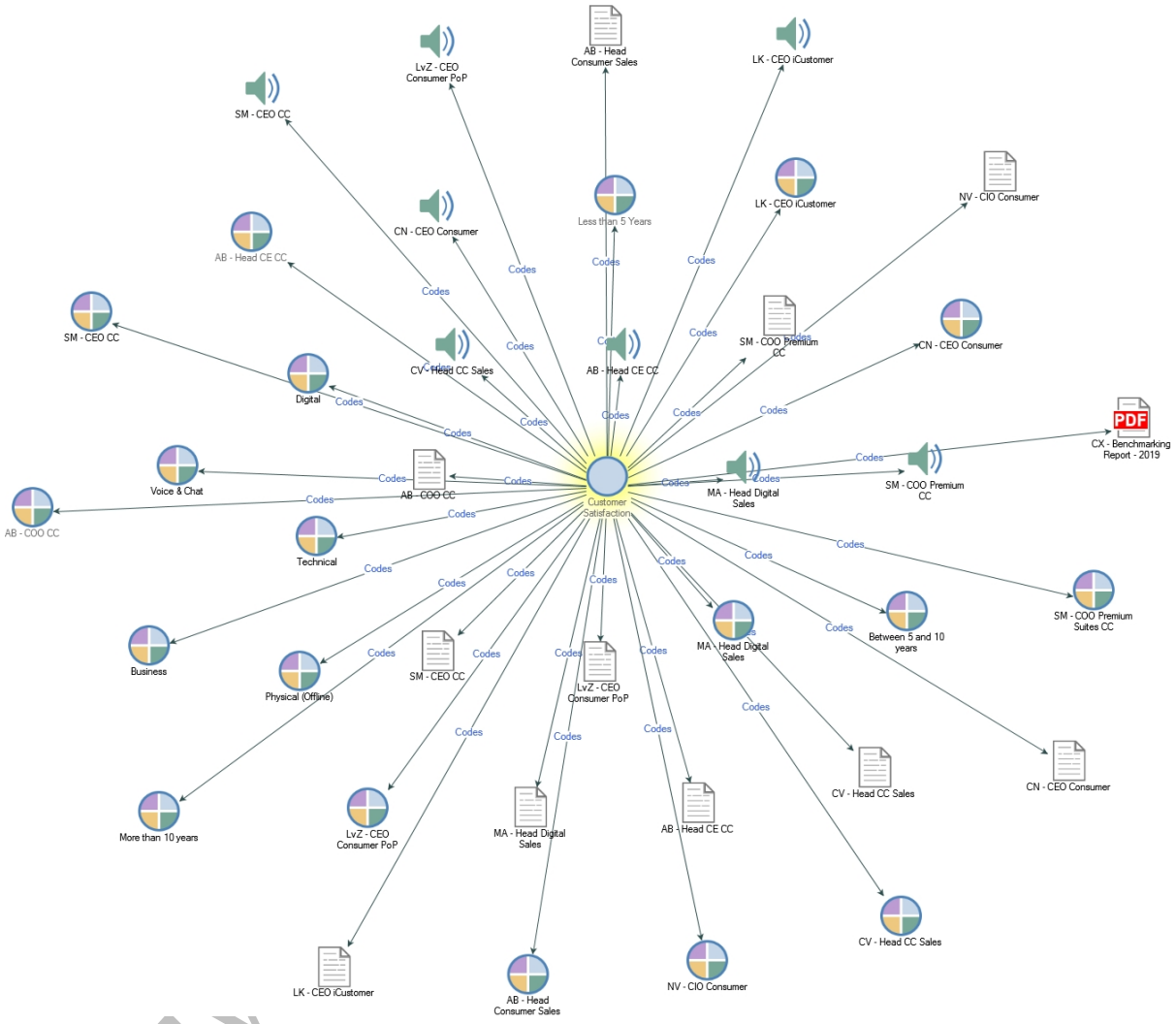

Figure 13: Customer Satisfaction explore diagram

5.4.3.1.1 Customer Satisfaction Index

For customer satisfaction after an interaction, the major metric that the bank tracks is Our Service To You (OSTY) and it measures customer experience. An email survey is used for this purpose after an interaction has taken place.

This metrics are aligned to the South African Customer Satisfaction Index (SACSI) way of measuring, which measures from a scale of 0-10, where 0-6 is seen as a detractor, 7-8 neutral, 8-9 delighters and 9-10 advocates, see figure 14 below. "The *MyServiceToYou score must also improve. This is the score we use for the customers after an interaction in a branch*" (LvZ – CEO BranchATM). "*In an Omni-Channel world volume of calls should start reducing and OSTY should improve overtime*" (AB – Head CE CC). "*Detractors are mainly complaining about the breakdowns of channel assistance. That means the customer has tried multiple times on different platforms to try and resolve an issue but with no assistance. In a good omni-channel environment, that situation would improve*" (AB – COO CC).

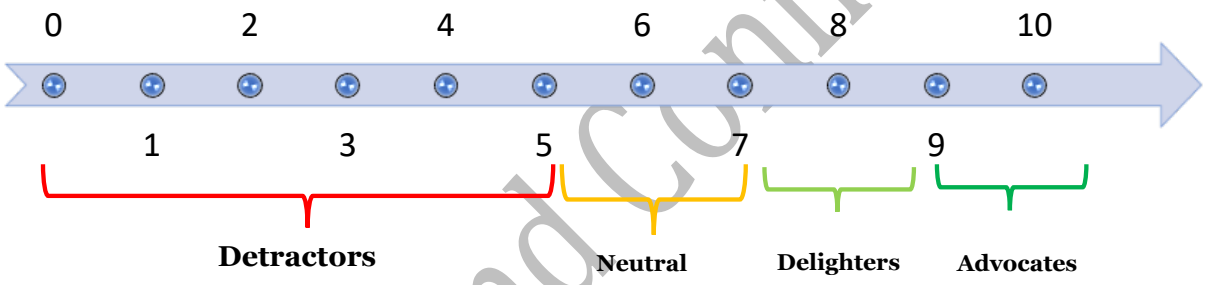

Figure 14: Our Service To You (OSTY)

The bank also uses the SACSI annual surveys which are used across different industries and not only banks. "*This is the bigger external measure of quality, perceived value, and compliant resolution*" (AB – COO CC). Complaints volumes should come down and compliments should increase with a good Omni-Channel implementation. "*Omni-Channel banking would be a significant difference maker, complaints should decrease and compliments should go up*" (AB – Head CE CC). "*The complaints should go down but not so much as the customer has the ability to interact in multiple channels, since the visibility of the customer interactions across the channels should be possible*" (SM – COO Wealth CC).

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"*Compliments should also go up if customers are being serviced to their satisfaction across whichever media they want to use*" (SM – COO Wealth CC). "*Definitely complaints would go down and compliments would go up. For example, as it stands now in our branches the critical measure is the average queue time (how long one has to wait before being assisted). The customer satisfaction survey in terms of complaints and compliments is important*" (AB – Head Consumer Sales). In an Omni-Channel world, the complaints-compliments ratio is expected to improve. "*This means for every complaint there must be at least two compliments*" (LvZ – CEO BranchATM). Currently Customers have too many handover points on most interactions which causes an increase in complaints as well. "*Complaints have increased sometimes from an ATM to an assisted or F2F channel to resolve. Long term should see the complaints come down. Omni-Channel is new because we used to have a Multi-Channel model, which is federated*" (LvZ – CEO BranchATM). "*I definitely think complaints will come down in an Omni-Channel world because a big source of complaints is when there is a break down in service delivery. Due to the level of customer frustration, the complaints get higher. A solid omni-channel experience could speed up the process before the customer had time to log a complaint*" (AB – COO CC). Pro-active Omni-Channel management is also critically important for customer experience and complaints and compliments. "*Compliments would definitely go up. For example as a customer, if I use an ATM and I experience a challenge like card being swallowed, and then suddenly I receive a proactive call or chat from the bank having detected the problem and therefore offering assistance, compliments would flow in. Compliments would go up if there is a pro-active omni-channel experience*" (AB – COO CC). "*In the current federated model (Multi-Channel), Customers have too many handover points on most interactions*." (LvZ – CEO BranchATM).

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5.4.3.1.2 Net Promoter Score

Customer satisfaction and net promoter score (NPS) perform equally well in predicting performance and customer behaviour (Katherine et al., 2016). With a good Omni-Channel experience the NPS would be enhanced. "*NPS, which is a sentiment score on how much can your customers promote you, would also improve*" (LK – CEO Customer Interactions).

"*The other score like the Net Active Growth (NAG), which is reviewed after every 6 months to identify if the right product was sold to the right customer at the right price, is something that we also track to ensure that customer's interest is considered which also increases the NPS.*" (CN – CEO Consumer).

5.4.3.2 Financial Consideration

Omni-Channel would also have some financial benefits to the bank, if most efficiencies described above are realised. Figure 15 below shows how the financial consideration theme came up in the research study.

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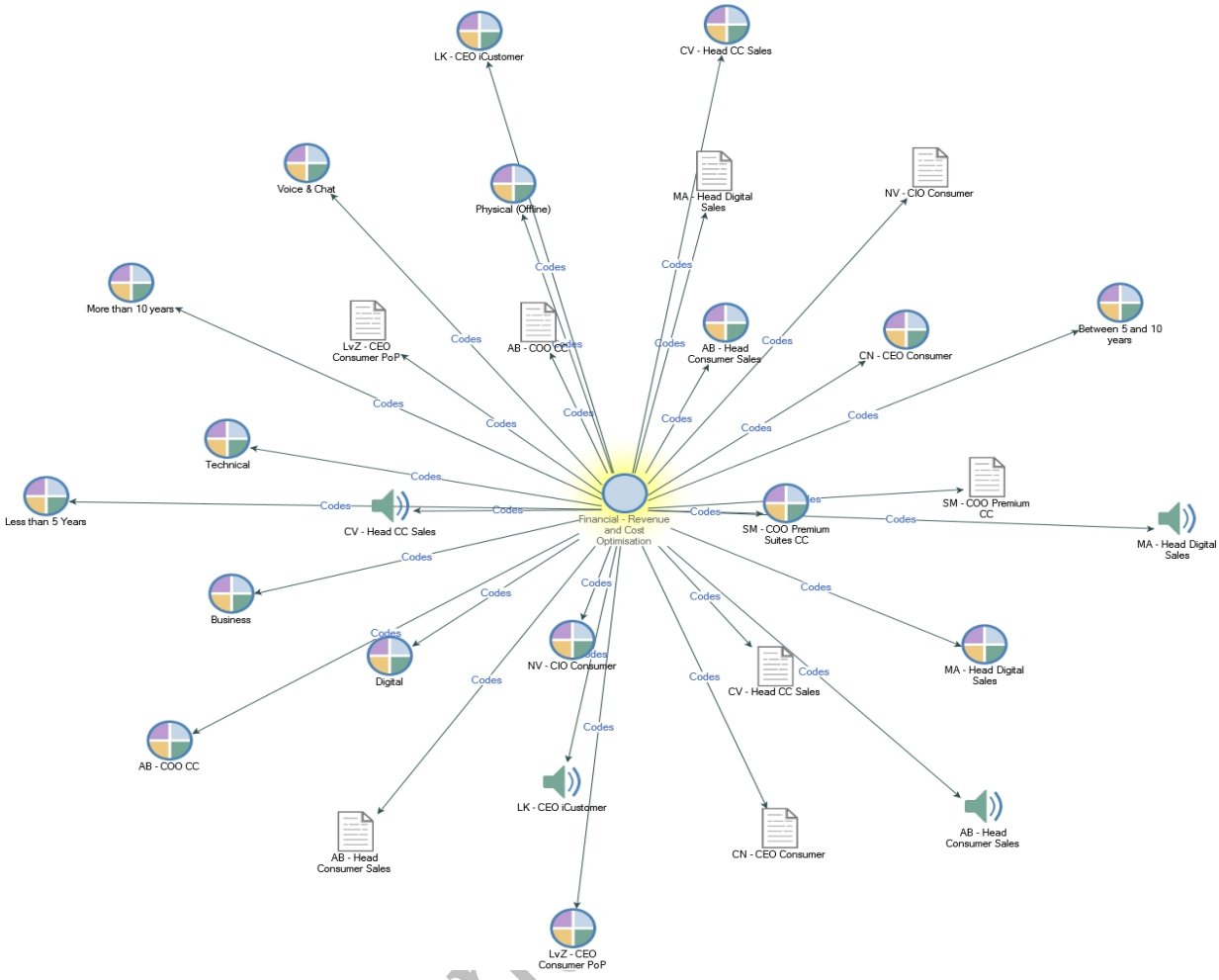

Figure 15: Financial Consideration Explore Diagram

Some of the sub-themes discovered through this research study were Cost Optimisation and Sales Opportunities, see figure 16 below.

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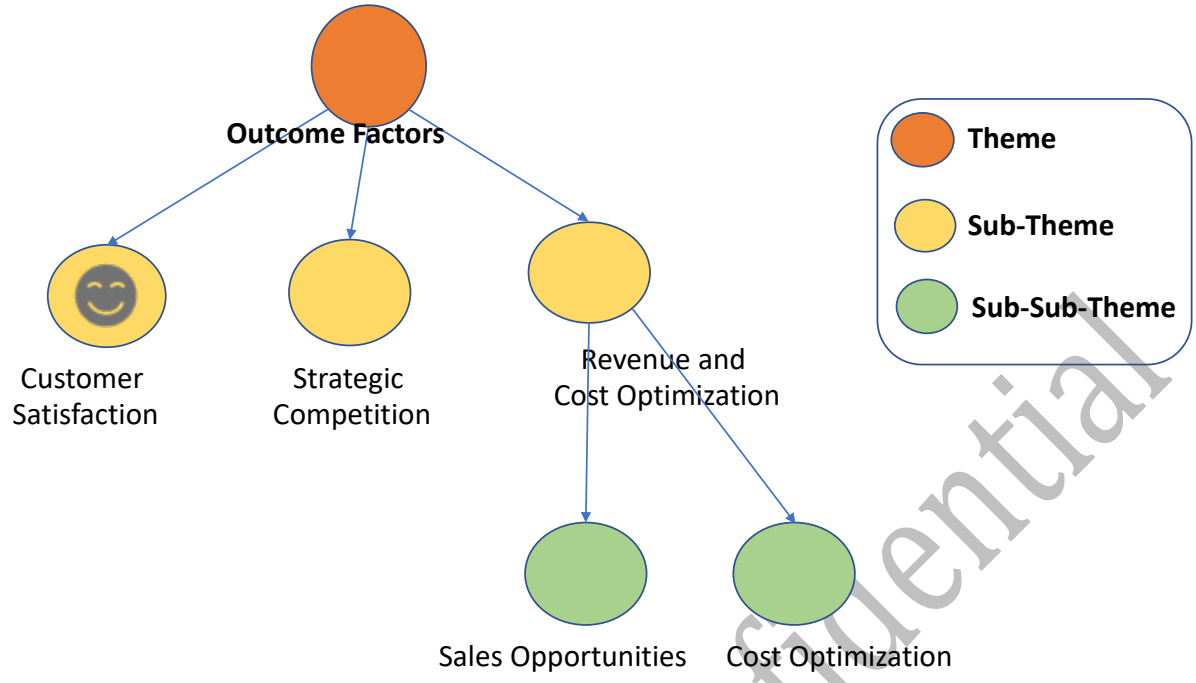

Figure 16: Financial Sub-Themes

5.4.3.2.1 Cost Optimisation

A single platform is the way forward for the bank to realise some cost benefits. "*The cost to income ratio metric would significantly improve when we build only once and deploy to an Omni-Channel platform.*" (MA – Head Digital Sales). "*Omni-Channel reduces our cost base and drive sales and value addition to customers through cross selling. It would also help with brand promotion and brand love*" (LK – CEO Customer Interactions). In an Omni-Channel world there would be cost optimisation opportunities like developing and deploying the application on a platform once and would be available to all the channels immediately.

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Financially, Omni-Channel banking would be beneficial to the bank in terms of the economies of scale. For example there won't be a need for different measurement teams to drive sales performance but one across the different business units. "*You won't need three or four measurement teams to drive sales. One metric to measure sales for everyone*" (CV – Head CC Sales).

Digital Banking like mobile application, Online banking, and USSD are cheap and easy to use. "*Digital creates a massive scale advantage for customers and is a lot better and cheaper*" (CN – CEO Consumer). To develop the Digital platform requires large upfront capital investment, but operationally it becomes cheaper and easier to scale. "*Initially, you'll need to change processes, employ people, invest in technologies, but the in the long term those efficiencies add to optimized processes that would help take away costs and your cost to income ratio will change*" (NV – CIO Consumer). In the Digital channels could also be cost savings to customers as they don't pay any fees in using these channels. "*The cost of sale acquisition is cheaper in the digital channel which reduces the cost of origination of a business* " (MA – Head Digital Sales). "*Another financial and cost opportunity in an Omni-Channel banking world would be the use of Digital and Contact Centre channels as they are cheaper than the physical channels*" (CV – Head CC Sales). Revenues in the digital channel reduce, but the costs come down quite dramatically. "*The 4th Industrial Revolution, artificial intelligence, and machine learning, will bring network effects*" (CN – CEO Consumer)."

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Generally, physical and assisted channels cost more than the digital channels. They are legacy systems and they carry a heavy cost base built on physical presence. "*We have to go digital in order to reduce space costs (fixed) and be able to compete with the new start-ups, which is also about survival in a competitive world*" (AB – Head Consumer Sales). In the digital channels there is no need for the physical infrastructure. "*In the physical and assisted channels you require warm bodies which increases your costs*." (AB – Head Consumer Sales). The digital channels provides an easy way to scale up products. "*Digital provides you that coverage. Scale of digital channels is less costly. It is impractical to have a branch at every town*". (AB – Head Consumer Sales). Also, The fluidity and agility on physical presence is very difficult because of time implications. "*It takes 7 years to close a branch because of lease agreements and other technicalities. So the runup period to reduce branch structure costs takes 7 years and to launch new branches takes 2 to 3 years*" (AB – Head Consumer Sales).

Once scaling out is achieved, adoption and platform utilisation becomes key. "*To get customers to migrate from physical channels to digital channels, we price up the physical channel and make the digital channel free"* (CN – CEO Consumer). The digital channel adoption rate should increase as well. "*Customers can start in a big screen like online banking and then transition to the mobile application for buying*" (MA – Head Digital Sales). The more customers are on the digital platform the better. "*The more customers you have in your platform, like Facebook, Google, Netflix, Apple, the better the negotiating power to innovate things that are better suited for customers. If you do not have scale then there is no business because people prefer to be on big platforms*" (CN – CEO Consumer).

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5.4.3.2.2 Sales Opportunities

Currently most sales are still conducted through the branch network because customers are still trusting and comfortable with that. "*Cost of acquisition of the sales would drastically improve as its cheaper in the digital channel*" (MA – Head Digital Sales). The digital channels are slowly picking up though. The Contact Centres were then introduced for convenience because they are available for a longer time and customers do not have to travel, and these come at half the cost of what branches cost. "*Digital channels are available 24/7 and come at a fraction of the cost of any of the channels. But the willingness from a customer to buy new products from a digital channel is low hence the Branches and Contact Centres still exist*" (CN – CEO Consumer). The convergence of all these channels will be achievde sooner. The thinking is that in 20 years' time everything banks are doing today could be automated. "*It is foreseen that these different channels would continue to evolve overtime but there is going to be a point of convergence. This could happen in 10-20 years' time because according to Moores law – every 20 years computers are a thousand times more faster*." (CN – CEO Consumer).

5.4.3.3 Strategic Competition

The strategic competition was the third and final sub-theme on the outcome factors of an ideal Omni-Channel experience that emerged from the research study, see figure 17 below for explore diagram from all document types and codes. "*Omni-Channel decision is a ticket to the game. If you don't do it customers will find somebody who can do this for them and you won't be able to sustain your competitive edge. If we don't adopt an Omni-Channel strategy, customers will leave us and find a place where they can get that type of experience. We would also lose out on so many opportunities and will eventually lose competitive edge as well*" (LK – CEO Customer Interactions).

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Key to competitive advantage is staying relevant in a very competitive market. It is not always about gaining new customers, but also about adding value to the family of existing customers. "*A single platforms and Technologies like NLP, and Voice Biometric would help us achieve this goal*" (NV – CIO Consumer). A single platform and the sharing of data and information across all channels creates not only a good customer experience but a good banker or agent experience as well. "*From a sales perspective, how the big data is mined is extremely important. Linking the right product(s) to the right customer with the right banker is key. This can be achieved by sometimes observing customer behaviour and patterns from the mined data*" (AB – Head Consumer Sales). "*From a service strategy perspective, you can identify the right customer need and offer the right solution at the right time. This will create a good experience for customers and your customer retention rate will be high*" (AB – Head Consumer Sales).

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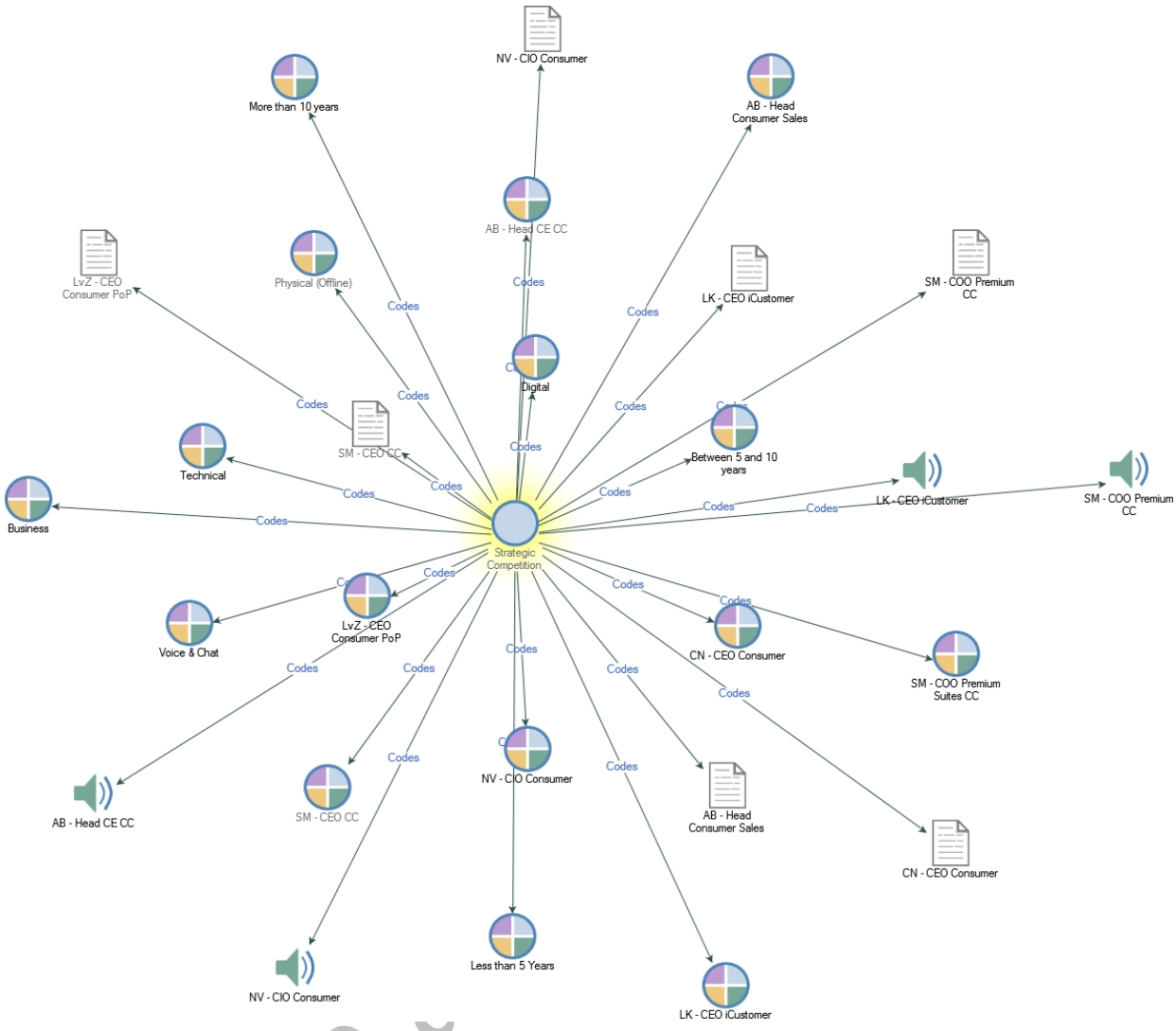

Figure 17: Strategic Competition explore diagram.

The digital presence enables a footprint anywhere anytime and gives enough coverage to better compete. "*It is not practical to have a branch at every single town particularly with the way the Gross Domestic Product (GDP) is spread in the country*" (AB – Head Consumer Sales). "*We are a very innovative bank. We are always ahead of the innovation curve than our rivals*" (SM - COO Wealth CC).

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The bank's approach is always about the customer need and how they can innovate or enable them better. "*Technologically, we don't necessarily have to be first all the times, but to respond to customer needs. But in most instances we tend to anticipate their needs early and that made us to stay ahead of the technology curve than our rivals*" (SM – CEO CC). The SACSI scores for the bank on technological innovations have been very good in recent years. "*We've been number one for a number of years on many areas of this technological revolution. SACSI scores on both branches and ATMs reveal this. We've positively predicted where the market direction and that has been huge. High adoption of our technologies has been key for us. We've got customers to self-service through the digital zones in our branches*" (LvZ – CEO Consumer).

The complexity of technology sometimes makes it inaccessible for customers compared to some rivals that have simple offerings that work better on smaller phones on weaker or slower coverage. "*Complexity is not a competitive advantage. Comprehensiveness is our competitive edge but is has a downside as it is more difficult to make it simple*" (CN – CEO Consumer).

5.5 New Theoretical Model

From the above theme and sub-themes, a new theoretical model for the banking institution's decision to transition from Multi-Channel to Omni-Channel has emerged. Figure 18 below illustrates how the enabling factors are influencing the central factor of Customer Centricity to achieve the outcome factors.

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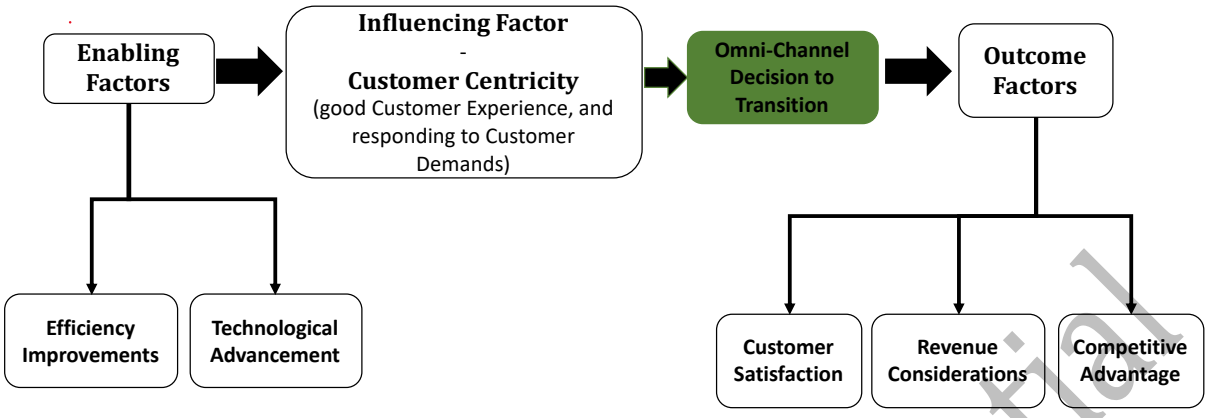

Figure 18: *Decision to Transition* Final Theoretical Model

Figure 18 above is described in detail in the following section that deals with patterns:

5.6 Patterns

5.6.1 Inter and Intra Theme Relationship

5.6.1.1 Customer Centricity

From the emerging theoretical model as shown in figure 18 above, customer centricity is the central theme driving the decision to transition from Multi-Channel to Omni-Channel banking. A great customer experience and responding and anticipating to the customer needs is of critical importance for the banking institution.

5.6.1.2 Enabling factors to Customer Centricity

Technology Integration is the single biggest ingredient in the recipe that would help the bank achieve their strategic goals. To assist and enable a true Customer Experience a single integrated technological platform with data and information sharing is critically important.

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Without data and information sharing among channels, technology integration of channels would not be possible. The front-end applications across the bank are also converging towards a single platform. An Omni-Channel strategy cannot be implemented without Technological innovation. Part of technological advancement and innovation in an Omni-Channel world would be the enablement of self-service facilities. If the offline channels have self-service channels and capabilities are equal in all channels, the transfer of calls from offline/physical channels to the contact centre will come down.

Support for customers is key as the digital channels are becoming more complex and this is where tracking and monitoring is necessary. In pursuit of a self-service objective and enhancing the customer experience, smart technologies like the NLP are used. The NLP would restructure the very old IVR conversations to far more slick engagement where the customer request is dealt with faster and more accurately than it was in the past. The process of authentication is important not only for being compliant with legislation, but also to engage and add value to the customers' lives and invest time appropriately with the right customer.

5.6.1.3 Customer Centricity to Outcome Factors

Some of customer satisfaction metrics like Complaints compliments ratio to improve should improve in an ideal Omni-Channel. Complaints are expected to come down and compliments to go up. Metrics like the average queue time in branch would improve in an Omni-Channel world. Also, the MyServiceToYou score will also improve. This is the score the bank uses for the customers after an interaction in a branch. Other metrics like Cost Optimisation should also improve if the Omni-Channel is implemented correctly.

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The Digital channel is the cheapest channel followed by voice and chat, and then the bricks and mortar. If channels aren't integrated or don't talk to one another, it could cause loss of opportunity and increased costs to the bank. Also the service levels (SLA) and turnaround times (TAT) would definitely improve in an effective Omni-Channel world.

5.7 Chapter Summary

In the research analysis chapter we got to understand all the themes that emerged from research data. These include customer centricity, enabling factors, and outcomes factors. A new theoretical model emerged from the data and the patterns that are informed by the data.

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6) Chapter 6 - Conclusion and Recommendations

6.1 Customer Centricity Journey

With the customer now at the centre of banking institutions' strategy, the spotlight is on customer experience (CX) (Allman, 2019) and how that can be enhanced in order to achieve Customer Centricity. Most interviews and observations had a customer focus and customer centricity theme in them. The CX ambition within banks needs to be complimented by a customer-focused change programme. Part of that customer-focussed change programme is a customer journey mapping exercise. This exercise is placing the customer at the centre, and then everything revolves around it.

The right CX approach can help organisations stand out from the competition and could realise commercial success benefits. Many organisations' business units still manage their own CX efforts independently, so it is difficult to get that all-important single view of the customer and deliver a consistent customer experience (Allman, 2019).

If that customer journey mapping exercise is done correctly, a bank can move up in the CX capability maturity model. Becoming the Customer Champion and achieving level 5 would be the highest ambition (Katherine et al., 2016).

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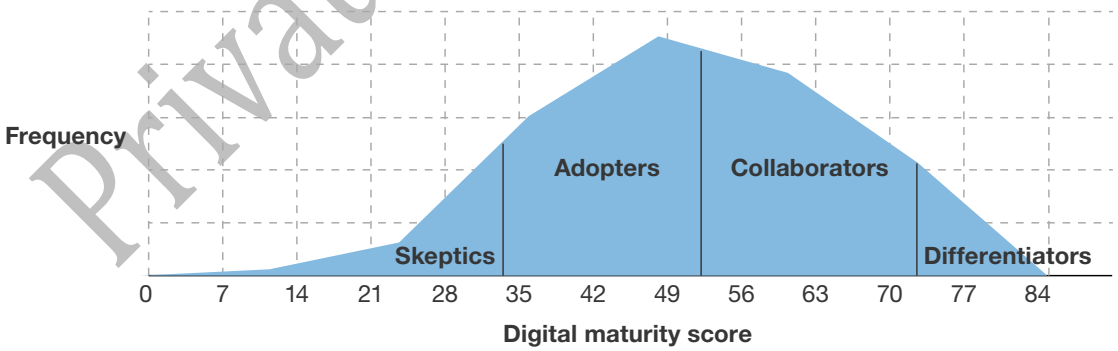
Figure 19: Customer Experience Maturity Model (adapted from Katherine et al., 2016)

Being customer centric means having an established and centralised customer experience initiative with a clear strategy and real outputs (Katherine et al., 2016). By achieving this level of CX maturity, banks can move away from being Skeptics and Adopters to Collaborators and Differentiators in the Digital maturity model as shown in figure 20 below.

Figure 20: Enhance your firm's Digital Maturity



Source: Gill and VanBoskirk (2016)

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6.2 Recommendations

According to Allman (2019) in most organisations CX is one of the key strategic performance indicators, but only 30.4% of firms have a senior executive in their highest executive decision making structures or in the board of directors accountable for CX. The study findings suggest that Banking Channels be placed under executive Head or two executives Heads. Where channels are nested within the segments they service they create the historic siloed approach. The main issue(s) are that channels are managed independently and performance tracking is done by individual channel owners, so for the most part there is limited to no visibility of the CX journey across the entire business. The resultant outcome is that CX delivery is inconsistent which is a problem that is compounded by not having defined and integrated enterprise-wide customer journey strategies (Allman, 2019).

According to Allman (2019) the top 3 challenges facing Omni-Channel today are: "a). channels are managed in silos, b). it's too expensive and the business cases cannot be proven, and c). it's too difficult as there is no consistent standard on how channels are configured". Regardless of their best desires to design and build a connected customer journey, banking institutions are still battling to overcome the difficulties of systems integration issues, data sharing, and inconsistent data formats (Allman, 2019). This results in disjoint customer journey strategies and approach as well as disconnected tracking of the progress, user behaviour, and channel performance. These make it extremely difficult to get a single view of the CX journey across all the bank's customer facing channels – a perspective that is critical in developing a CX strategy (Allman, 2019).

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In creating a Channels Head(s) role, a Governance framework can be developed to ensure the convergence of all the CX journey across all channels. Even though there is uniqueness in each channel, which must be respected, the focus on ensuring channel alignment, integration, expansion, sharing, and collaboration would be realised.

6.3 Research contributions to the field

6.3.1 Theoretical Contribution

The main theoretical contribution from this research study is the new theoretical model on the factors that influence the decision to transition from Multi-Channel to Omni-Channel which is depicted in figure 18 above. Customer centricity is the main factor behind the transition.

Other factors are either enabling customer centricity or the outcomes of a customer centric strategy. This research study examined current banking channel configurations, which are mainly multi-channel, and how the perceived future would look like (Omni-Channel). The research study contributed to understanding what factors are driving the decision to transition from multi-channel to omni-channel in the banking sector, especially in South Africa. The study lays a good foundation for future studies on the role of artificial intelligence and machine learning in strengthening the Omni-Channel journey in banks.

6.5 Limitations

This was a single case study and all participants came from one banking institution. Even though this allowed the research to dig deeper in the organisation's thinking and methodologies, a multiple case with the diverse views might have strengthened it even further.

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6.6 Suggestions for future research:

There are many questions or research options that can be explored after this research study or to take it to the next level. These include examining how to measure Omni-Channel success. With Omni-Channel one of the banking strategies is to improve efficiencies and enhance customer experience, which leads to the questions as to whether the impact can be quantified or fully measured? How much value or benefit does Omni-Channel banking create? would be another question for any future research study around the Omni-Channel construct. Here the researcher would need to quantify the value before (Multi-Channel) and value after (Omni-Channel) and generalise across.

Also, with banking channels converging and integrating through the use of smart technologies and data sharing, a question could be asked about the role of chatbots, or conversational agents, in enabling this expansion and integration. The question could be to investigate the role that the 4th Industrial Revolution could play or is playing in creating a true Omni-Channel banking environment? Finally, another option could be '*beyond Omni-Channel, what next for the banking sector*?

6.7 Concluding Remarks

This chapter concludes the dissertation entitled: *Factors influencing the decision to transition from Multi-Channel to Omni-Channel Banking*. The research purpose and question was revisited. The approach was presented and the derived theoretical model was presented, which was the main contribution to the research field. The implications for banks and recommendations were also made. Further research studies on this subject were also suggested.

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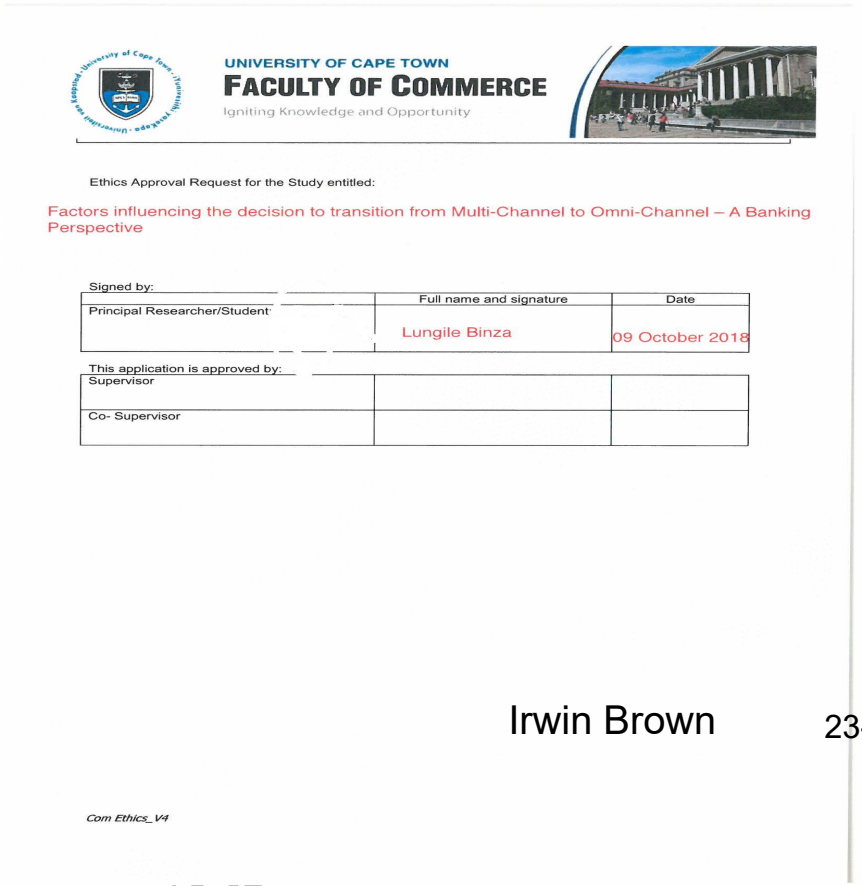
7) Appendices:

7.1 Appendix 1: Ethics Approval



UNIVERSITY OF CAPE TOWN
FACULTY OF COMMERCE
Igniting Knowledge and Opportunity

Ethics Approval Request for the Study entitled:

Factors influencing the decision to transition from Multi-Channel to Omni-Channel – A Banking Perspective

Signed by:

	Full name and signature	Date
Principal Researcher/Student	Lungile Binza	09 October 2018

This application is approved by:

Supervisor		
Co- Supervisor		

Irwin Brown 23-Oct-2018

Com Ethics_V4

Private

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18 December 2018

Mr Lungile Binza
Department of Information System
University of Cape Town

Dear Lungile Binza,

REF: REC 2018/012/155

Factors influencing the decision to transition from Multi-Channel to Omni-Channel – A Banking Perspective.

We are pleased to inform you that your ethics application has been approved. Unless otherwise specified this ethical clearance is valid for 1 year and may be renewed upon application.

Please be aware that you need to notify the Ethics Committee immediately should any aspect of your study regarding the engagement with participants as approved in this application, change. This may include aspects such as changes to the research design, questionnaires, or choice of participants.

The ongoing ethical conduct throughout the duration of the study remains the responsibility of the principal investigator.

We wish you well for your research.

Modie Sempu
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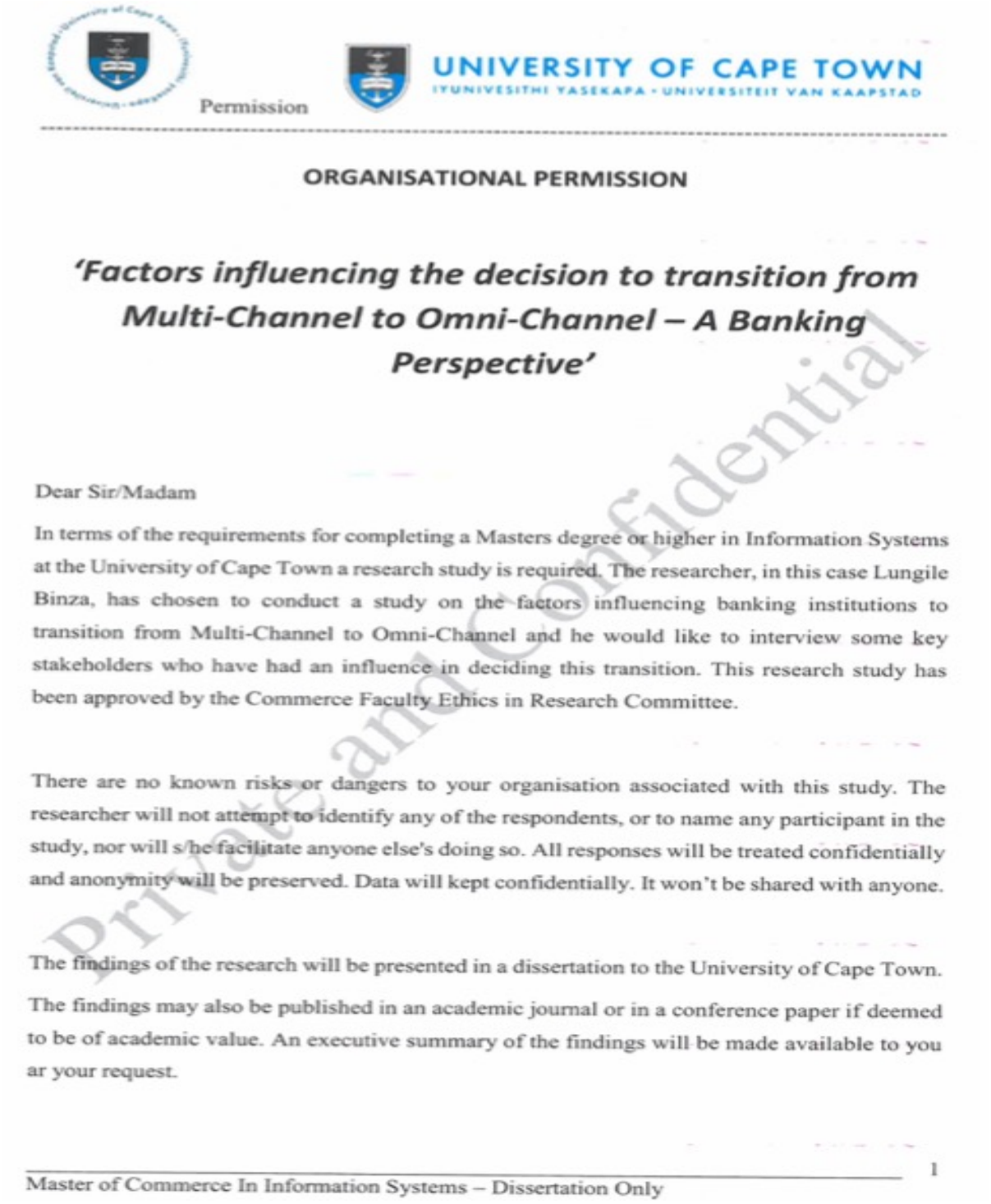
7.2 Appendix 2: Research Permission:



Permission

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IYUNIVESITHI YASEKAPA · UNIVERSITEIT VAN KAAPSTAD

ORGANISATIONAL PERMISSION

'Factors influencing the decision to transition from Multi-Channel to Omni-Channel – A Banking Perspective'

Dear Sir/Madam

In terms of the requirements for completing a Masters degree or higher in Information Systems at the University of Cape Town a research study is required. The researcher, in this case Lungile Binza, has chosen to conduct a study on the factors influencing banking institutions to transition from Multi-Channel to Omni-Channel and he would like to interview some key stakeholders who have had an influence in deciding this transition. This research study has been approved by the Commerce Faculty Ethics in Research Committee.

There are no known risks or dangers to your organisation associated with this study. The researcher will not attempt to identify any of the respondents, or to name any participant in the study, nor will s/he facilitate anyone else's doing so. All responses will be treated confidentially and anonymity will be preserved. Data will kept confidentially. It won't be shared with anyone.

The findings of the research will be presented in a dissertation to the University of Cape Town.

The findings may also be published in an academic journal or in a conference paper if deemed to be of academic value. An executive summary of the findings will be made available to you ar your request.

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7.3 Appendix 3: Research Interview Questions

Interview Questions

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1) Participant's Background:

a) **Role within the banking institution?**
b) **Length of service within the Organisation?**
c) **Whats your understanding of Omni-Channel Banking from a Customer?**
d) **What are the benefits of Omni-Channel Banking;?**
e) **What are the negative effects of not going Omni-Channel Banking?**

2)Technological Infrastructure

a) **Do you have, *Voice Biometric*, *Natural Langauge Processing*, *Speech Analytics*, and *Artificial Intelligence* (*Chat bots)* in your current technology infrastructure?**
b) **How important is upfront authentication (identification & verification) through voice biometric and or natural language processing?**
c) **How Integrated is your Digital, Video, Chat, and Voice technology Infrastructure?**
d) **Was this Omni-Channel decision to also get an opportunity to integrate them as well?**
e) **Was Channel Intergration and Technology Innovation the factor in our decision to transition from MC to OC?**

3)Strategic Orientation

a) **Opportunities for competition where data and information is shared across channels and how to use that to win competition?**
b) **What threat posed by channels being managed by different teams with different goals and no integration? Moving away from Owner Manager culture**
c) **How important is it for banking institution to stay ahead of the technological and digital innovations competition?**
d) **How ambitious is your banking institions' approach to new digital technologies?**
e) **How far down the line is your competititors in the Omni-Channel journey?**
f) **Is this Omni-Channel decision to keep up or to stay ahead of you competitors or ticket to the game?**

4)Customer Demands

a) **Who is your typical Omni-Channel Customer profile?**
b) **What do they demand from you in order to be satisified about your service?**
c) **Are your customers technologically savvy and embrace all new technological innovations?**
d) **How big are your customers on social media channels?**
e) **Do they expect you to offer banking services on their social media channels?**

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Interview Questions

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5) Customer Experience

a) **Metrics used by your BU and Bank to measure true Customer Experience?**
b) **What your ideal customer experience in an Omni-Channel World?**
c) **Are you expecting that customer complaints volumes will be down and possible compliments volume to go up?**
d) **What your ideal customer experience in an Omni-Channel World?**
e) **Are you expecying that customer complaints volumes will be down?**
f) **Will Omni-Channel banking increase chances of customer compliments going up?**
g) **Are you expecting Our Service To You (OSTY) scores to improve with Omni-Channel banking?**
h) **Are you hoping to achieve higher turnaround times (TAT) with Omni-Channel banking?**
i) **Would you say customer experience was a big factor in your Omni-Channel decision?**

6) Revenue Drivers

a) **What would the Main financial benefit for us to move towards OC Banking?**

7) Conclusion

a) **Looking at the above questions, which factor would you say was the biggest influencer in your Omni-Channel decision?**
b) **Strategic documents pertaining to Omni-Channel?**
c) **Any additional information you'd like to share about your Omni-Channel decision?**

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7.4 Appendix 4: Overall Project Nodes NVIVO

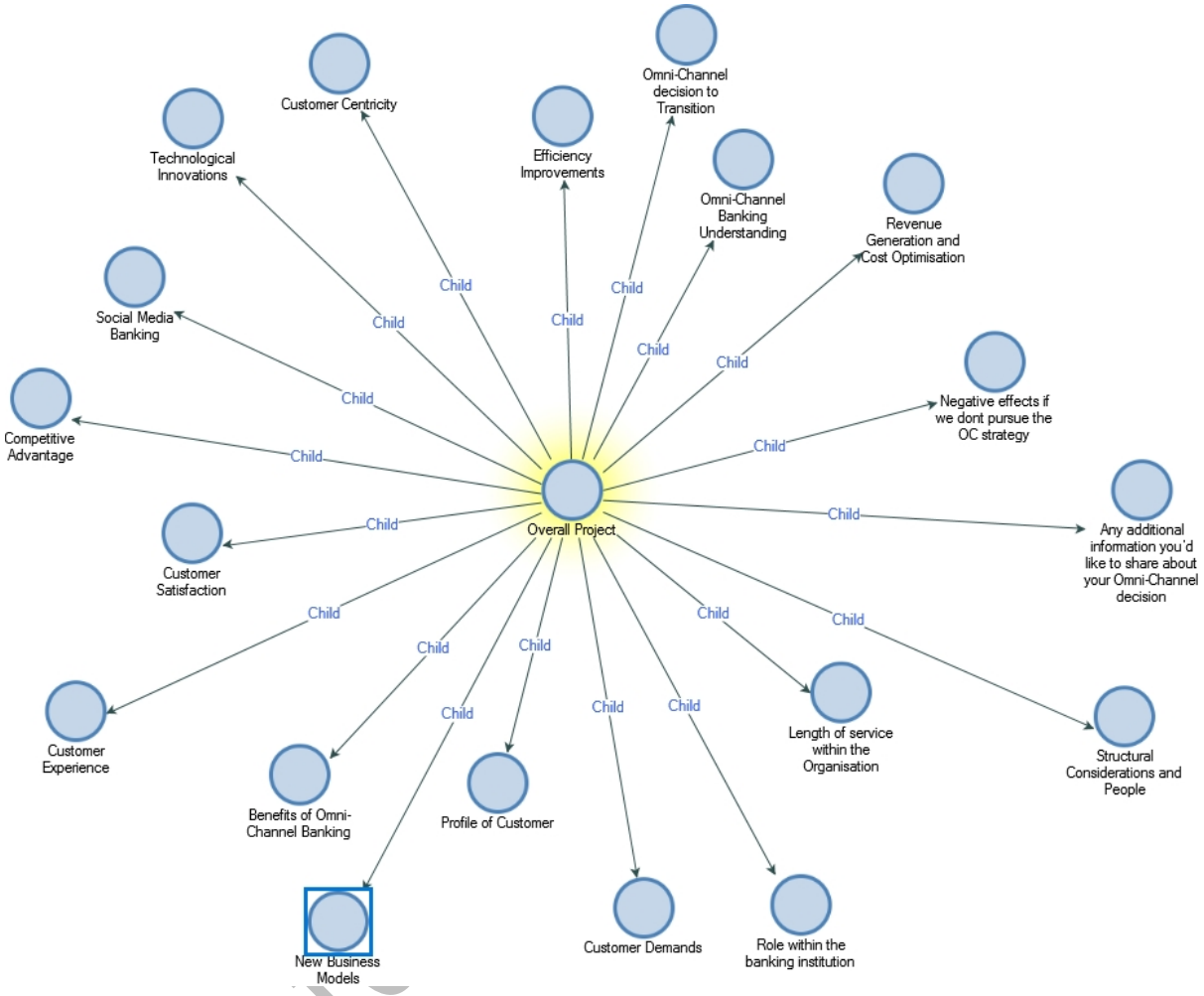

Figure 21: Overall Project Nodes

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